

[Constitution](#)

[List of Chairman and Members \(PAC-I\)](#)

[List of Chairman and Members \(PAC-II\)](#)

[Agenda & Schedule of the Meetings](#)

[Activity Report](#)

[PAC Reports](#)

Preface

Under the Constitution of the Islamic Republic of Pakistan, the disbursement from the Provincial Consolidated Fund requires approval by the Provincial Assembly of the Punjab. While authorizing huge sum of the tax-payers' money, the Assembly has a right to reassure itself that the moneys so granted were steered to the intended purpose and were spent prudently and in accordance with law/rules. The Assembly oversees expenditure through its Public Accounts Committees, on the basis of Appropriation Accounts, Finance Accounts and Audit Reports prepared by the Auditor-General. The said reports are laid in the Assembly under orders of the Governor.

2. As a rule, no money can be spent on any service over and above the money granted by the Assembly for the purpose. Excess expenditure, if any, is viewed seriously. The Committees examine with reference to the facts of each case the circumstances leading to any excess expenditure, and makes appropriate recommendations.
3. The Reports of the Auditor-General of Pakistan on the Commercial Accounts of the Government of the Punjab for the years 1985-86 and 1986-87 remained under consideration of different Public Accounts Committees (PACs) from 1990 to 1999.
4. The Report of the Auditor-General on Commercial Accounts for the year 1985-86 was initially examined on 14 July 1990 by the then PAC consisting of Raja Muhammad Khalid Khan (*Chairman*), Rana Shaukat Mahmood, Malik Ghulam Haider Thind, Malik Shah Muhammad Mohsin, Mr Fazal Hussain Rahi, Mr Zafar Ullah Cheema, Mr Shabbir Ahmad Khan, Mrs Shahida Farooq Malik and Miss Afifa Fazal Mahmood. The Committee, however, ceased to function on account of the dissolution of the Assembly on 6 August 1990.
5. The unfinished work, including the Report of the Auditor-General on Commercial Accounts for the year 1986-87 was taken up by the successor PAC constituted on 21 March 1991. The Committee consisted of Mr Saeed Ahmad Khan Manais (*Chairman*), Chaudhry Muhammad Riaz, Pir Allah Yar Chishti, Chaudhry Zafar Ullah Cheema, Malik Ghulam Haider Thind, Haji Muhammad Afzal Chan, Mr Farhat Aziz Mazari, Sheikh Anwar-ul-Haq Piracha and Hafiz Salman Butt. The Committee considered the accounts in a number of meetings; however, it could not conclude the work because it ceased to operate on account of the dissolution of the Assembly on 18 July 1993.
6. The pending work was, then, considered by the PAC constituted on 25 June 1994. It consisted of Mian Muhammad Afzal Hayat (*Chairman*), Raja Riaz Ahmad, Mr Amanullah Khan, Haji Muhammad Afzal Chan, Mian Muhammad Rashid, Pir Muhammad Shah Khagga, Sirdar Zulfiqar Ali Khan Khosa, Mian Imran Masood, Syed Zafar Ali Shah and Syed Tabish Alwari. This PAC completed the detailed examination of the Reports on Commercial Accounts for the years 1985-86 and 1986-87; but, before it could finalize its reports, the Assembly was dissolved on 17 November 1996.
7. The unfinished work was taken up by the PAC constituted on 14 October 1997. The Committee consisted of Raja Muhammad Khalid Khan (*Chairman*), Raja Muhammad Javaid Ikhlās, Mr Usman Ibrahim, Mr Zia Ahmad Khan, Haji Ahmad Khan Haral, Haji Muhammad Sharif, Dewan Mushtaq Ahmad, Ch Talib Hussain, Haji Ihsan-ud-Din Qureshi and Sardar Awais Ahmed Khan Leghari. The Committee prepared the draft reports for both the years but before the

same could be finalized for presentation to the House, the Assembly was placed under suspension with effect from 12 October 1999 under the Proclamation of Emergency; and, with that the PAC ceased to function. At that time, the defunct Public Accounts Committees had been seized of heavy backlog.

8. To clear the unfinished work, Governor of the Punjab, pursuant to the powers conferred under Chief Executive of Pakistan letter No.1(74)SO(C-2)/2000 dated 31 July 2000, read with Article 2 of the Powers and Functions of the Governors Order 19 (5 of 1999), constituted an *ad hoc* Public Accounts Committee of the Punjab *vide* Finance Department Notification No.FD/Acctts:/(A&A)/V-7/69 dated 20 October 2000 (*Annexure*).

9. The Committee initially consisted of eleven members; *viz.*- Mr Riyaz Hussain Bokhari (*Chairman*), Prof (Retd) Dr Khalid Hameed Sheikh, Prof (Retd) Dr Ejaz Ahsan, Major General (Retd) Muhammad Akram, Mr Muzaffar Mahmood Qureshi, Mian Abdul Qayyum, Mr Aftab Ahmad Khan, Ch Muhammad Aslam, Mr Ali Kazim, Mr Muhammad Ahmad Bhatti and Mr Ahmad Raza Khan. However, for personal reasons, Mr Ali Kazim showed his inability to serve on the Committee, and Prof (Retd) Ejaz Ahsan resigned after a few meetings.

10. The reports on Civil, Receipts and Works Audit had already been presented to the Assembly. The Committee, therefore, decided to finalize the report on Commercial Accounts for the years 1985-86 and 1986-87 on the basis of the decisions taken by the earlier PACs. In its meeting on 16 May 2002, it approved the Report in hand.

11. This Report is arranged in 17 Chapters. Chapter 1 consists of general observations and recommendations of the former PACs. The remaining Chapters deal with the audit paras/ observations on Commercial Accounts arranged separately for the year 1985-86 and 1986-87 as well for each department. A synopsis containing an overview of each department has also been added for ready reference.

12. It is hoped that suggestions and recommendations of the Committee would encourage and assist the Government in refurbishing the system and procedure for constructive financial management.

27 May 2002

(Dr Syed Abul Hassan Najmee)
Secretary
Provincial Assembly of the Punjab

Abstract

(1985-86)

Total Paras	Paras Noted	Paras Finally Settled	Paras Conditionally Settled	Paras Pended
354	117	97	14	126

Introduction

Among the tasks entrusted to the *ad hoc* Public Accounts Committee (PAC) constituted in October 2000, is to deal with the unfinished business of the Standing Committees on Public Accounts of the suspended Assembly of the Punjab. The PAC is required to clear the backlog of Audit Reports passed on to it and to submit to the Finance Minister for approval the recommendations made by the previous PACs.

2. The Provincial Assembly's Public Accounts Committee No.1 had completed by May 1995 its examination of the Auditor-General's Reports on the Commercial Accounts (1985-86 and 1986-87) of the provincial organizations engaged in commercial activities. Although the Committee's reports had been drafted, these could not be approved for submission to the Assembly before its suspension on 12 October 1999.

3. Based on the minutes of the meetings of the previous PACs, the Reports on the Commercial Accounts for 1985-86 and 1986-87 have now been compiled. A Summary has also been prepared of the General Observations made by the Committees in the course of their examination of the Audit Reports and the explanations provided by the Departments.

4. In its meeting held on 16 May 2002, the *ad hoc* PAC approved the submission of these Reports to the Finance Minister.

5. It is recommended that the Departments and Organizations concerned should take note of the various directives and suggestions in these Reports. Appropriate action should be initiated for the improvement of financial discipline and for the enforcement of strict accountability. The monitoring wing of the Finance Department may watch and report on the compliance of the directives.

6. The *ad hoc* PAC avails itself of this opportunity to place on record its deep appreciation of the hard work put in and dedication displayed by the Assembly's Secretariat in assisting the Committee and compiling the Reports.

(Riyaz H. Bokhari)

Chairman

Ad hoc Public Accounts Committee

27 May 2002

General Observations and Recommendations

While considering the pending Audit Reports, the PACs had made a number of useful observations and recommendations. A précis thereof follows.

2. ***Reconciliation of Accounts:*** The PACs found that the accounts over years had not been reconciled. The delay in, or lack of, proper attention to the reconciliation of accounts not only obstructed the work of the PACs, but it might have led to embezzlement, corruption and fraud. Government must assure that the heads of the departments assign priority to the reconciliation work; and, in case, it is not made on time, necessary action may be taken against all concerned, including the Principal Accounting Officer.

3. ***Production of Record:*** The PACs observed that the administrative departments did not produce the relevant record at the time of audit, and even subsequently for verification by Audit. In many cases, the record was not produced even before the PACs. There was strong apprehension that the record had been withheld to conceal important information from Audit as well as the PACs. Obviously, the disposal of audit paras was impeded on that account. Government must take effective steps to ensure that official record is properly maintained, and the relevant record is made available to the Audit as well as PACs at all the relevant times.

4. ***Working Papers:*** It was observed that most of the departments did not assign due priority to the work of PACs. The working papers for the meetings had, at times, been inadequate as well as sketchy. They were also submitted as late as a day or two before, or even on the day of the meeting. The members of the Committees did not have time to examine the same. Written instructions issued by the PACs, from time to time, had little effect. The PACs recommended that Government must ensure that -
 - (a) the departments/agencies submit the appropriate working papers at least ten days before the meeting;
 - (b) full details and comprehensive explanation in respect of audit paras are incorporated in the working papers; and
 - (c) the departments explain the irregularities, losses, etc and also state what action had been taken against the officers/officials at fault; and, if no action had been taken by them, the reasons in the wake of inaction.

5. ***Casual attitude before the PACs:*** The Committees painfully observed that the administrative secretaries either did not appear before the PACs personally, or, even when they attended the meetings, they were not prepared for the same. They were often obliged to seek the assistance of their subordinates, sometimes at a very low level, during the meetings. The practice was highly disturbing and against all the norms of propriety. Moreover, the Principal Accounting Officers were unable to present the cases of their respective departments in their true perspective. Quite often they failed to assist the PACs or respond to the queries from the members of the Committees. Government must take corrective steps in this behalf.

6. ***Directives of the PAC:*** The Committees observed that most of the administrative

departments had not taken timely action on the directives of the PACs. That inordinately delayed the disposal of the audit paras as well as the finalization of reports.

7. *Compliance Paras:* The PACs observed that in a number of cases, audit paras were settled subject to certain actions to be taken by the concerned departments. Unfortunately, even after years, the departments had not cared to take the requisite action, with the result that such paras could not be finally settled. Chief Secretary was requested to issue a circular letter to all the administrative secretaries immediately to implement the directives of the PACs, and take further necessary action for the settlement of such paras. However, no significant improvement was seen. Government should take measures so that the directives of the PACs are implemented expeditiously and in all cases within the time given to the departments.

8. *Recovery of Government dues:* The Committees took serious note of the fact that the departments did not take timely action to recover Government dues on account of loss, theft, embezzlement etc. Moreover, disciplinary proceedings were not initiated at appropriate time. The result was that in quite a number of cases, action had become almost impossible either on account of retirement or death of the concerned persons, and their having left the country. Even the directives of the PACs in this regard had been ignored with impunity. Moreover, the departments failed to identify such petty amounts as the recovery of which was uneconomical. The PACs stressed that prompt action should always be taken in such cases.

9. *NOCs to the retired Government Servants:* It was noticed that administrative departments invariably issued NOCs to the retiring Government servants as a routine without proper verification, and in particular, in complete disregard that certain Government dues had been outstanding against them. That causes loss to the public exchequer *inter alia* because the departments, in such cases, move for the write off of the loss. Government must issue necessary instructions to curb the tendency.

10. *Commercial System of Accounting:* The Committees observed that in some of the departments, the books and the ledgers had not been kept/maintained according to the established commercial system of accounting. One reason was the lack of training of the functionaries. The Committees urged that proper training be imparted to those who are responsible for maintaining accounts on commercial pattern.

11. *Tenders:* The Committees observed, with dismay, that in a large number of cases, tenders had been issued and accepted in anticipation of the approval of detailed estimates and technical sanction. Technical sanction was given afterwards on the basis of the quoted rates or on the basis of work done. The practice was illegal as well as fraught with chances of embezzlement. Government should take effective measures to curb the tendency.

12. *Expenditure at the fag end of the financial year:* Government should take appropriate steps to ensure that the departments do not incur hasty and ill-considered expenditure at the fag end of the financial year, merely to exhaust the available budgetary allocation.

13. *Anti-corruption cases:* The PACs were rather surprised to know that many cases had not been disposed of on the plea that the record was with the Anti-corruption Establishment. A number of cases had been lying dormant in that department for many years. Government should issue instructions that the Anti-corruption Establishment takes expeditious action on the cases referred to it; and, the departments retain a certified copy of the record sent to the Establishment,

so that departmental action is not delayed on that account.

14. *Court cases:* The PACs observed that the departments had not taken effective measures to defend court cases at an appropriate level, and by an officer who was fully conversant with the facts of a case. The Committees felt concerned about the state of affairs, and recommended to the Government that effective remedial steps be taken in public interest.

Agriculture Department

Total Paras

173

Abstract

Status	Decision	Para Nos.	Pages
Paras Noted 30	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	1, 2, 4, 6, 7, 29, 151, 152, 153, 160, 161, 162, 163, 164, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 189, 190, 191, 192	Not reproduced
Paras Finally Settled 43	Paras finally settled as the requisite action had been taken.	3(1 & 2), 5, 37, 38, 39, 40, 41, 42, 43, 51, 52, 53, 54, 55, 56, 57, 100, 101, 102, 115, 116, 118, 119, 131, 132, 142, 143, 144, 145, 146, 157, 159, 166, 167, 168, 169, 170, 183, 184, 185, 186, 187	17-27
Paras Conditionally Settled 2	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	8, 130	17 & 23
Paras Pended 98	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	30, 31, 32, 33, 34, 35, 36, 44, 45, 46, 47, 48, 49, 50, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 117, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 133, 134, 135, 136, 137, 138, 139, 140, 141, 147, 148, 149, 150, 154, 155, 156, 158, 165, 188	20-22, 24-25 & 27

Discussed on 14 July 1990, 3-5 November 1991, 5 April 1995 and 16 May 2002

1. Paras 3(1-2): Page 5 – Non-submission of Accounts to Audit

(1) Agricultural Engineering Division, Dera Ghazi Khan for the years 1983-84 to 1985-86

14-7-90: The accounts having been prepared by the Department and certified by Audit, **the para was settled.**

(2) The Punjab Seed Corporation, Lahore for the years 1981-82 to 1985-86

14-7-90: The accounts having been checked by Audit, **the para was settled.**

2. Para 5: Page 7 – Scope of Compilation

3-11-91: Audit pointed out that the Department had not drawn up any accounting procedure/manual. Such procedure could be devised either by creating appropriate posts in the Department or by engaging some chartered accountants for some time. The Committee directed that the Department must get the matter decided by the Competent Authority within three months and also convey the decision to the Public Accounts Committee and Audit. Subject to above observation, **the para was settled.**

Punjab Agricultural Development and Supplies Corporation

3. Para 8: Page 15 – Loss Due to Rain and Short Receipt Rs. 210,920

5-11-91: The Department explained that the Inquiry Board had concluded that despite best efforts of the officials to protect the stock, the damage had been caused due to torrential rains for which nobody could be held responsible. The Inquiry Board had recommended that the loss might be written off accordingly. The loss within the competence of the Deputy Director Marketing and the General Manager, had been written off. The remaining loss being within the competence of the Management Board to write off, the

case would be placed before the Board.

The Department was directed to (i) supply a copy of the inquiry report to Audit for scrutiny (ii) the amount already written off might be got verified by Audit and (iii) the write off sanction from the Board be expedited. The Department promised that the matter would be placed in the next meeting of the Board to be held during November, 1991. The Committee directed that the decision of the Board should be communicated to the Public Accounts Committee and Audit. The para was kept pending.

5-4-95: The Committee observed that the above directive had not been complied with and took serious notice of the negligence on the part of the Corporation and directed that responsibility should be fixed against the persons who failed to comply with the directive of the Public Accounts Committee. A detailed note indicating as to what action had been taken after 1991 and who were responsible for the neglect of PAC directive along with the action taken against them should be submitted to the Committee by 11-5-1995. The para was kept pending.

15-5-95: The explanation of the Department was accepted by the Public Accounts Committee and **the para was settled subject to verification** by Audit.

Agricultural Engineering Division, Bahawalpur

4. Para 37: Page 39 – Working Results

14-7-90: The Division earned a net profit of Rs.1.683 Million during the year 1985-86. Since the working results of the Division were favourable, **the para was settled** by the Committee.

5. Para 38: Page 39-40 – Non-disposed of Obsolete Machinery

3-11-91: Audit pointed out that out of 90 machines, 75 had been auctioned leaving a balance of 15 machines but the auction price of 75 machines amounting to Rs.5,030,300 had not been got verified. Moreover, after the sale of these machines, accounts should have been reflected in the departmental books. About the remaining 15 machines, the Administrative Secretary assured the Committee that these would be soon disposed of.

The Committee directed that the Department should get the auction price of the 75 machines verified by Audit and also to get the remaining 15 machines disposed of within two months. The para was kept pending.

5-4-95: The auction having been verified by Audit, **the para was settled.**

6. Para 39: Page 40 – Non-confirmation of the Stores Received or Despatched

3-11-91: Audit suggested that the Department should maintain the proformas containing details and maintenance of machinery as well as the register of stores/receipts/transfer of goods. The Department agreed to comply with Audit suggestion. **The para was settled.**

7. Para 40: Page 40 – Leave Salary and Pension Contribution

3-11-91: The needful having been done by the Department, **the para was settled** with the direction that this system should be adopted in all the divisions.

8. Para 41: Page 40 – Physical Verification of Stores

3-11-91: The Department informed the Committee that the officer deputed by the Government had carried out physical verification of the stores and the shortage detected by him had been recovered. The Finance Department suggested that there should be cross-verification of stores and the Department agreed to do so. **The para was settled.**

9. Para 42: Page 40 – Accounts Register

3-11-91: Accounts register having been maintained in proper form and verified by Audit, **the para was settled.**

10. Para 43: Page 40 – Books of Accounts

3-11-91: The Department explained that it had no expert for the maintenance of the commercial accounts. The Committee directed that the Administrative Department should request the Finance Department for the creation of the post of a commercial accountant. Subject to this observation, **the para was settled.**

Agricultural Engineering Division, Dera Ghazi Khan

11. Para 51: Page 55 – Working Results

14-7-90: The working results of the Division for the years 1974-75 to 1982-83 had been pointed out. Since the performance of the Division was satisfactory, **the para was settled.**

12. Para 52: Page 55 – Transfer of Stores

3-11-91: The names of the consignees and their acknowledgement having been verified by Audit, **the para was settled.**

13. Para 53: Page 56 – Stores and Stocks

3-11-91: The physical verification having been done by Audit, **the para was settled.**

14. Para 54: Page 56 – Disposal of Assets

3-11-91: The reasons for write off the loss having been supplied to Audit, **the para was settled.**

15. Para 55: Page 56 – Dues Outstanding Against Government Departments

3-11-91: The Department informed the Committee that an amount of Rs.6,73,467 had been recovered and got verified by Audit leaving a balance of Rs.1,87,357.

The Committee directed that the Department should recover the balance amount of Rs.1,87,357 within three months. The para was kept pending.

5-4-95: Full recovery of Rs. 6,73,467 of the amount having been verified by Audit. **The para was settled.**

16. Para 56: Page 56 – Reconciliation of Withdrawals/Remittances

3-11-91: The Department complained that the schedules of payments from DAOs had not been received regularly and inspite of repeated requests to the Accountant General Punjab, no progress had been made. The Finance Department informed the Committee that recently they had issued strict instructions to all the DAOs to supply the schedules of payments regularly to the divisions. The Committee desired that the Finance Department should again send a circular to all the DAOs as well as the AG Punjab for strict compliance of the procedure. The Finance Department undertook to do so. The para was kept pending.

5-4-95: The departmental reply having been verified by Audit, **the para was settled.**

17. Para 57: Page 56 – Assets Register

3-11-91: The Department explained that for the maintenance of commercial accounts it did not have any expert. The Committee directed that the Department should make a request to the Finance Department for the creation of the post of commercial accountant. Subject to this observation, **the para was settled.**

Agricultural Engineering Division, Faisalabad

18. Paras 97-99: Pages 151-152 – Working Results

3-11-91: The Committee constituted a Sub-Committee comprising of the following Members, for detailed examination of these paras and other paras as may be referred to it:-

- | | |
|----------------------------------|----------|
| 1) Haji Muhammad Afzal Chan, MPA | Convener |
| 2) Ch Zafar Ullah Cheema, MPA | Member |
| 3) Pir Allah Yar Chishti, MPA | Member |
| 4) Ch Muhammad Riaz, MPA | Member |

The Department was directed to submit a comprehensive note explaining the following queries, alongwith other relevant record to the Sub-Committee:-

1. How and when the bulldozers were acquired and by whom?
2. When the bulldozers were handed over to the Department?
3. When these bulldozers were declared unserviceable?
4. What was their total expected life?
5. Reasons for their premature condemnation?
6. Why the Division could utilize only 25% capacity of the total machinery?
7. Fixation of responsibility for the loss, if any.

The representatives of the Finance Department and Audit were also requested to participate in the meeting of the Sub-Committee. The paras were kept pending.

5-4-95: The above paras were referred to the Sub-Committee No.6 comprising of the following Members:-

- | | |
|----------------------------------|----------|
| 1. Haji Muhammad Afzal Chan, MPA | Convener |
|----------------------------------|----------|

- | | |
|-----------------------------|--------|
| 2. Raja Riaz Ahmad, MPA | Member |
| 3. Syed Zafar Ali Shah, MPA | Member |
| 4. Syed Tabish Alwari, MPA | Member |

The paras were kept pending

19. Para 100: Page 152 – Transfer of Stores

3-11-91: The acknowledgement of the concerned consignees for the stores having been verified by Audit, **the para was settled.**

20. Para 101: Page 152 – Non-reconciliation of Accounts With Audit

3-11-91: Verification of record having been done by Audit, **the para was settled.**

21. Para 102: Page 152 – Books of Accounts

3-11-91: The Department explained that for the maintenance of commercial accounts it did not have any expert. The Committee directed that the Department should request the Finance Department for the creation of the post of a commercial accountant. Subject to this observation, **the para was settled.**

Agricultural Engineering Division, Gujranwala

22. Para 114: Page 167 – Working Results

3-11-91: The para was referred for detailed examination to the Sub-Committee already constituted for consideration of Para 97.

5-4-95: The para was referred to the Sub-Committee comprising of the following Members:-

- | | |
|----------------------------------|----------|
| 1. Haji Muhammad Afzal Chan, MPA | Convener |
| 2. Raja Riaz Ahmad, MPA | Member |
| 3. Syed Zafar Ali Shah, MPA | Member |
| 4. Syed Tabish Alwari, MPA | Member |

The para was kept pending.

23. Para 115: Page 167 – Transfer of Stores

3-11-91: The verification having been done by Audit, **the para was settled.**

24. Para 116: Page 167 – Shortages of Stores

3-11-91: The Committee did not feel satisfied with the explanation submitted by the Department and directed that the inquiry report, if any, should be produced to it on 4-11-1991.

4-11-91: The requisite inquiry report was produced to the Committee on 4-11-1991. The Committee was satisfied with the departmental proceedings. The Committee, however, directed that the rate of recovery should be enhanced to 1/3rd of the pay of the official, instead of the existing rate of Rs. 400 P.M., as the pay scales had already been revised.

5-4-95: The recovery had been verified by Audit. **The para was settled.**

25. Para 117: Page 167 – Sundry Debtors

4-11-91: The Department explained that the latest outstanding balance was Rs.76,785, but in certain cases the amounts recoverable from individual agriculturists were very small and it would be uneconomical to pursue their recovery.

The Committee directed that the Department should write to the Finance Department for writing off the amount outstanding against the *Zamindars* with full justification. The amount pertaining to the Government departments should be recovered expeditiously. **The para was kept pending.**

26. Para 118: Page 168 – Leave Salary and Pension Contribution

4-11-91: The Department explained that provision of the leave salary and pension contribution had been made on the actual provision instead of ad hoc basis.

The needful having been done by the Department, **the para was settled** with the direction that this system should be adopted in all the divisions.

27. Para 119: Page 168 – Non-maintenance of Accounts Books on Commercial Pattern

4-11-91: The Department explained that it provided subsidized services to agriculturists and, as such, it was not a commercial organization. The Committee observed that there seemed to be some justification in the argument of the Department and directed that it should approach the Government for a policy decision in this matter. **The para was settled** subject to these observations.

Agricultural Engineering Division, Lahore

28. Para 127-129: Page 182

4-11-91: The Committee decided to refer these paras for detailed examination to the Sub-Committee constituted for consideration of Para 97.

5-4-95: The above paras were referred to the Sub-Committee No.6 comprising the following Members:-

- | | |
|----------------------------------|----------|
| 1. Haji Muhammad Afzal Chan, MPA | Convener |
| 2. Raja Riaz Ahmad, MPA | Member |
| 3. Syed Zafar Ali Shah, MPA | Member |
| 4. Syed Tabish Alwari, MPA | Member |

The paras were kept pending.

29. Para 130: Page 183 – Transfer of Stores

4-11-91: The Department informed the Committee that necessary action had since been completed in respect of the para. Subject to verification by Audit, **the para was settled.**

30. Para 131: Page 183 – Reconciliation of Figures with Audit

4-11-91: The Department complained that the schedules of payments from DAOs had not been received regularly and in spite of repeated requests to the Accountant General, Punjab, no progress had been made. The Finance Department informed the Committee that recently they had issued strict instructions to all the DAOs to supply the schedules of payments regularly to the divisions. The Committee desired that the Finance Department should again send a circular to all the DAOs as well as the AG for strict compliance of the procedure. The Finance Department undertook to do so. The para was kept pending.

5-4-95: The reconciliation having been verified by Audit, **the para was settled.**

31. Para 132: Page 183 – Non-maintenance of Books of Accounts

4-11-91: The Department explained that for the maintenance of commercial accounts it did not have the services of any expert. The Committee directed that the Department should request the Finance Department for the creation of the post of commercial accountant. Subject to this observation, **the para was settled.**

Agricultural Engineering Division, Multan

32. Para 142: Page 200 – Working Results

14-7-90: The performance of the Division showing net profit of Rs.1.746 million during the year 1985-86 was satisfactory. **The para was settled.**

33. Para 143: Page 200 – Non-confirmation of Stores Received or Despatched

4-11-91: The verification having been done by Audit, **the para was settled.**

34. Para 144: Page 201 – Assets Register

4-11-91: **The para was settled** as per recommendation of Audit.

35. Para 145: Page 201 – Leave Salary and Pensionary Charges

4-11-91: The para was settled as per recommendation of Audit.

36. Para 146: Page 201 – Non-maintenance of Books of Accounts

4-11-91: Audit pointed out that the Department had not drawn up any accounting procedure/manual. Such procedure could be devised either by creating appropriate posts in the Department or by engaging some Chartered Accountants for some time. The Committee directed that the Department must get the matter decided by the Competent Authority within three months and also convey the decision to the Public Accounts Committee and Audit. Subject to this observation, **the para was settled.**

Agricultural Engineering Division, Rawalpindi

37. Para 157: Page 217 – Working Results

4-11-91: The Department was directed to adopt the same pattern as followed by other divisions. Subject to this observation, **the para was settled.**

SPECIAL DIRECTIVE

4-11-91: The Committee directed that a complete list showing the details of machinery, both workable and un-workable, belonging to the Department be provided to the Committee.

38. Para 158: Page 217 – Loss Due to Non-operation of Bulldozers

4-11-91: The para was referred for detailed examination to the Sub-Committee constituted on 3-11-1991.

5-4-95: The para was referred to the Sub-Committee comprising the following Members:-

- | | |
|----------------------------------|----------|
| 1. Haji Muhammad Afzal Chan, MPA | Convener |
| 2. Raja Riaz Ahmed, MPA | Member |
| 3. Syed Zafar Ali Shah, MPA | Member |
| 4. Syed Tabish Alwari, MPA | Member |

The para was kept pending.

39. Para 159: Page 218 – Interest on Capital

4-11-91: The Department was directed to adopt the same pattern as followed by other divisions. Subject to this observation, **the para was settled.**

Agricultural Engineering Division, Sargodha

40. Para 165: Page 232 – Working Results

4-11-91: The para was referred for detailed examination to the Sub-Committee constituted for consideration of Para 97.

5-4-95: The above para was referred to the Sub-Committee No.6 comprising the following Members:-

- | | |
|----------------------------------|----------|
| 1. Haji Muhammad Afzal Chan, MPA | Convener |
| 2. Raja Riaz Ahmed, MPA | Member |
| 3. Syed Zafar Ali Shah, MPA | Member |
| 4. Syed Tabish Alwari, MPA | Member |

The para was kept pending.

41. Para 166: Page 233 – Justification of Increase in Expenditure

4-11-91: The para was settled as per recommendation of Audit.

42. Para 167: Page 233 – Discrepancy in Accounts

4-11-91: The reconciliation having been done and verified by Audit, **the para was settled.**

43. Para 168: Page 233 – Non-verification of Transfer of Assets

4-11-91: The verification having been done by Audit, **the para was settled.**

44. Para 169: Page 233 – Non-reconciliation of Accounts

4-11-91: Necessary reconciliation having been done, **the para was settled.**

45. Para 170: Page 233 – Non-maintenance of Books of Accounts

4-11-91: Audit pointed out that the Department had not drawn up any accounting procedure/manual. Such procedure could be devised either by creating appropriate posts in the Department or by engaging some chartered accountants for some time. The Committee directed that the Department must get the matter decided by the competent authority within three months and also convey the decision to the Public Accounts Committee and Audit. Subject to this observation, **the para was settled.**

Punjab Agricultural Development and Supplies Corporation

46. Para 183: Page 251 – Working Results

5-11-91: Audit apprised the Committee that the net loss of the Corporation in 1985-86 was Rs.14.97 million. This trend has continued in the subsequent years also. In 1986-87 the loss rose to Rs.71.00m, in 1987-88 to Rs. 93.00m, in 1988-89 to Rs.118.00m and upto June, 1990 to Rs.311.00m.

The Department explained that the loss was attributable to the low rate of incidental charges which had been fixed in 1978 and needed revision. The matter had been referred, through the Agriculture Minister and the Chief Minister to the Federal Government and was pending decision by the EEC.

The Committee observed that the decision of the EEC/Federal Government should be awaited.

The Department further explained that a summary had also been submitted to Government which was lying pending with the Chief Minister, Punjab, for a policy decision about the Corporation. The Administrative Secretary assured that he was making strenuous efforts for getting a policy decision from the Provincial Government in this matter. The para was kept pending.

5-4-95: The para was dropped from here and would be discussed along with the accounts for the year 1986-87.

47. Para 184: Page 252 – Sundry Debtors

14-11-91: The para pertained to receivables from sundry debtors. The Department informed the Committee that they had deputed a *Tehsildar* for making recoveries and the Department was proceeding against the loanees. Although the progress was slow but recoveries were being effected steadily. The present outstanding balance had been reduced to Rs. 56.431 million. The Department also informed the Committee that a summary had been submitted to the Chief Minister for obtaining a policy decision for winding up the corporation due to heavy working losses.

The Committee directed that the amount already recovered should be got verified by Audit and the balance should be recovered expeditiously.

The Committee decided that a DO letter should be written from Chairman, Public Accounts Committee-I to the Chief Minister that, while deciding the fate of the corporation, the amount recoverable by the corporation from Sundry Debtors should also be kept in view. The para was kept pending.

5-4-95: The para was dropped from here and would be discussed along with the accounts for the year 1986-87.

48. Para 185: Page 252 – Interest on Federal Government Loan

14-11-91: The payment of the principal amount plus interest having been verified by Audit, **the para was settled.**

49. Para 186: Page 252 – Reconciliation of Accounts

14-11-91: The amount had since been reconciled and verified by Audit, **the para was settled.**

50. Para 187: Page 252 – Physical Verification of Stock

14-11-91: The physical verification having been done by the Department and verified by Audit, **the para was settled.**

51. Para 188: Page 252 – Interest on Assets

14-11-91: The Managing Director informed the Committee that the outstanding amount was recoverable from six banks and the same had been debited to over-draft accounts of the banks. Subject to verification by Audit, the para was settled.

5-4-95: The Managing Director informed the Committee that the amount was recoverable from six banks but Audit pointed out that the concerned banks were not accepting the claim of the Corporation. The Committee directed that the Department should make a reference to the Federal Finance Minister through the Provincial Finance Minister, requesting him for the assistance of the Federal Government/Finance Division for adjustment of the amount with the concerned banks. The Department was also directed to seek assistance of the Provincial Finance Department in the matter. **The para was kept pending.**

Excise and Taxation

Total Paras

17

Abstract

Status	Decision	Para Nos.	Pages
Paras Noted 5	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	193, 206, 207, 208, 209.	Not reproduced
Paras Finally Settled 5	Paras finally settled as the requisite action had been taken.	199, 202, 203, 204, 205	33
Paras Conditionally Settled 2	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	200, 201	33
Paras Pended 5	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	194, 195, 196, 197, 198.	

Discussed on 14 July 1990, 14 November 1991 and 16 May 2002.

Government Opium and Alkaloid Factory, Lahore.

1. Para 199: Page 266 – Working Results

14-7-1990: Since the working results of the Factory for the year 1985-86 showing net profit of Rs.1.750 million were favourable, **the para was settled.**

2. Para 200: Page 266 – Sundry Debtors

14-11-91: The Department explained that the total amount of Rs. 2,60,095 had since been written off by the Government. **The para was settled subject to verification** of the write off sanction by Audit.

3. Para 201: Page 266 – Sundry Creditors

14-11-91: The para was settled subject to verification by Audit.

4. Para 202: Page 266 – Improper Maintenance of Stock

14-11-91: As per recommendation of Audit, **the para was settled.**

5. Para 203: Page 266 – Reconciliation of Figures with Audit

14-11-91: As per recommendation of Audit, **the para was settled.**

6. Para 204: Page 266; Physical Verification of Stores

14-11-91: As per recommendation of Audit, **the para was settled.**

7. Para 205: Page 266; Maintenance of Accounts on Commercial Pattern

14-11-91: The Department assured the Committee that they were maintaining all the accounts on commercial pattern as advised by Audit. **The para was settled** accordingly.

Forestry, Wildlife, Fisheries and Tourism Department

Total Paras

7

Abstract

Status	Decision	Para Nos.	Pages
Paras Noted 4	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	213, 214, 215, 216	Not reproduced
Paras Finally Settled 3	Paras finally settled as the requisite action had been taken.	210, 211, 212	39

Discussed on 14 November 1991 and 16 May 2002.

Government Jallo Rosin & Turpentine Factory, Lahore

Para 210-212: – Pages 279-28

14-11-91: The Department explained that the factory had since been closed. The Labour Union had obtained Stay Order from the Court against their removal and amount of Rs.35,000 had been paid on account of their salary.

The Department was directed to properly pursue the case in the Court and also obtain a policy decision for disposal of the assets of factory from the Government as early as possible.

With the above observations, **the paras were settled.**

Health Department

Total Paras

25

Abstract

Status	Decision	Para Nos.	Pages
Paras Noted 21	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	217, 218, 219, 220, 221, 222, 223, 224, 225, 227, 228, 229, 230, 231, 232, 233, 237, 238, 239, 240, 241	Not reproduced
Paras Finally Settled 3	Paras finally settled as the requisite action had been taken.	234, 235, 236	45
Para Pended 1	Para pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	226	45

Discussed on 14 July 1990 3 November 1991 and 16 May 2002.

Government Medical Store Depot, Lahore

1. Para 226: Page 296 – Sundry Debtors

3-11-91: The Department explained that the amount under consideration pertained to the period of late 1950 and, as such, most of the documents were not available. The matter was taken up with various Departments but there was not much progress. After a lot of correspondence, the Railways had promised to pay the amount, in case some vouchers were produced to them. The Department submitted that it would calculate its share and the amount would be internally settled. The Committee was further apprised that as the amounts related to various provinces; therefore, those provinces would be approached but the share of the Province of Punjab would be recovered till the end of that financial year.

The Committee directed that the Departments of Live Stock and Local Government should also be contacted by the Administrative Secretary and the amount outstanding against them should be recovered from them. **The para was kept pending.**

Punjab Pharmacy Council, Lahore

2. Para 234: Page 308 – Working Results

14-7-1990: Since the working results of the Council for the year 1985-86 showing net profit of Rs. 7,01,986 during the year were favourable, **the para was settled.**

3. Para 235: Page 308 – Preparation of Consolidated Accounts

3-11-91: Consolidated accounts having been correctly prepared from 1989-90, as suggested by Audit, **the para was settled.**

4. Para 236: Page 308 – Opening of Profitable Account

3-11-91: Audit verified that the Council had started keeping its funds in the Khas Deposit Account of the National Savings and thereby receiving higher rates of interest. **The para was settled** accordingly.

Industries and Mineral Development Department

Total Paras

59

Abstract

Status	Decision	Para Nos.	Pages
Paras Noted 27	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	242, 243, 244, 248, 249, 250, 251, 252, 253, 254, 257, 258, 259, 270, 271, 272, 273, 276, 277, 278, 279, 280, 281, 289, 290, 291, 292	Not reproduced
Paras Finally Settled 23	Paras finally settled as the requisite action had been taken.	3(4), 3(5), 3(6), 3(7), 245, 246, 255, 256, 260, 261, 262, 266, 267, 268, 269, 274, 275, 282, 283, 285, 286, 287, 288	51-55
Paras Conditionally Settled 3	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	247, 265, 284	52-54
Paras Pended 6	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	3(3), 9, 10, 11, 263, 264.	51-53.

Discussed on 1 December 1991, 6 April 1995 and 16 May 2002.

1. Para 3(3-7): Page 5 – Non-submission of Accounts to Audit

3(3) Punjab Government Printing Press, Lahore for the years 1983-84 to 1985-86

1-12-91: The accounts of the press for the above years had not been prepared by the Department. The Public Accounts Committee-I directed the Department to prepare the accounts and get the same verified by Audit. The para would be discussed in the Public Accounts Committee meeting and **was kept pending.**

3(4) Provincial Stationery Office, Lahore for the year 1985-86

1-12-91: The accounts having been certified by Audit, **the para was settled.**

3(5) The Punjab Mineral Development Corporation for the years 1983-84 to 1985-86

1-12-91: The accounts for the years 1983-84 to 1985-86 having been checked by Audit, **the para was settled.**

3(6) The Punjab Small Industries Corporation for the year 1985-86

1-12-91: The accounts for the year 1985-86 having been checked by Audit, **the para was settled.**

3(7) Government Wool Spinning and Weaving Development-Cum-Training Centre, Jhang for the year 1985-86

1-12-91: The accounts for the year 1985-86 having been certified by Audit, **the para was settled.**

2. Para 9: Page 16 – Pilferage of Store Rs.1.477 Million

1-12-91: The Committee directed that the Industries and Mineral Development Department should hold an independent inquiry for determining the actual shortages. The para was kept pending.

6-4-95: The Department explained that action for determining the shortage of stock was in progress and would be completed within three weeks. The Committee directed that the Commercial Audit may also be associated with the process and action completed within one month. **The para was kept pending.**

3. Para 10: Page 16 – Embezzlement by the Cashier of the Press Rs. 152,357

1-12-91: The Department was directed to pursue the sub judice case. The para was kept pending.

6-4-95: The Department was directed by the Public Accounts Committee to pursue the sub judice case. It had been stated that the accused had been dismissed and now, its determined to effect recovery from him as arrears of land revenue. The Administrative Department also assured the Committee that they would write to the Registrar for moving the Lahore High Court for hearing of the case on out of turn basis. The case being sub judice and **the para was kept pending.**

4. Para 11: Page 17 – Embezzlement of Stipend and Shortage of Material Rs.15,859

1-12-91: The Department was directed to pursue the sub judice case. The para was kept pending.

6-4-95: The Department was directed by the Public Accounts Committee to pursue the case pending in the court. Since Mr. Saleem Khan has been declared as absconder and chances of his arrest/confiscation of his property were being looked into, the Department should pursue the case and report progress within two months. The case being sub judice, **the para was kept pending.**

Government Press, Bahawalpur

5. Paras 245-246: Page 322 – Working Losses

1-12-91: The Department was directed to make further strenuous efforts to reduce the working losses of the press. **The paras were settled.**

6. Para 247: Page 322 – Non-production of Record to Audit

1-12-91: Subject to verification by Audit, the para was settled.

6-4-95: **The para was settled** by the Public Accounts Committee subject to verification of record by Audit.

Stationery Depot Punjab Government Press, Bahawalpur

7. Para 255: Page 338 – Working Results

1-12-91: The para was settled.

8. Para 256: Page 338 – Maintenance of Accounts on Commercial Pattern

1-12-91: As the Department was maintaining the accounts on commercial pattern, **the para was settled.**

9. Para 260: Page 349 – Working Results

1-12-91: Audit objected that the grant-in-aid should not have been included in the profit accounts. Also, commercial accounts and promotional accounts should be maintained separately. The Department undertook to satisfy Audit in the matter. **The para was settled.**

Punjab Small Industries Corporation, Lahore

10. Para 261: Page 350 – Irregular Payment for Hired Accommodation

1-12-91: Adjustments having been verified by Audit, **the para was settled.**

11. Para 262: Page 350 – Misclassification of Accounts

1-12-91: Necessary adjustments having been verified by Audit, **the para was settled.**

12. Para 263: Page 350 – Sundry Debtors

1-12-91: The Committee was informed that Rs.2.82 Million had been recovered leaving a balance of Rs.2.95m and recovery was a continuous process.

The Committee directed that efforts should be made to recover the balance expeditiously and the amount already recovered should be got verified. The para was kept pending.

6-4-95: The Department explained that the latest balance in 1995 has been reduced to Rs.789,169. Audit, however, pointed out that the recoverable balance pertained to the period prior to 30-6-1985. The Committee directed that the balance amount may be recovered/adjusted by 30-6-1995. **The para was kept pending.**

13. Para 264: Page 350 – Non-recovery of Outstanding Shortages

1-12-91: The Department was directed to get the recovery of Rs. 2,23,000 verified by Audit, and expedite efforts to recover the balance.

6-4-95: The Department explained that the latest recoverable balance in 1995 had been reduced to Rs. 2,41,000. The Committee directed that the detail of balance recovery from the employees may be given alongwith the action taken against each. The action be completed within one month and compliance report submitted to the Public Accounts Committee. **The para was kept pending.**

14. Para 265: Page 351 – Non-recovery of Advances

1-12-91: The Department explained that the matter of adjustment of the advance in question, required certain reconciliation with Audit. Subject to reconciliation with Audit, **the para was settled.**

15. Para 266: Page 351 – Lack of Financial Management

1-12-91: Since the position had been verified by Audit, **the para was settled.**

16. Para 267: Page 351 – Imprudent Cash Management

1-12-91: Audit suggested that the amounts should be deposited in such a manner that they were profitable. The Department undertook to do so. **The para was settled.**

17. Para 268: Page 351

1-12-91: The Committee was informed that the depreciation would be shown by the LDA. The Department was directed to finalize the matter with the LDA. The para was kept pending.

6-4-95: As the departmental reply had been verified by Audit, **the para was settled.**

18. Para 269: Page 351 – Inventory of Stock and Stores

1-12-91: **The para was settled.** However, Audit may issue necessary advice to the Department for minimising the inventory and also fixing its minimum and maximum levels.

Punjab Industrial Development Board

19. Para 274: Page 367 – Working Results

1-12-91: The Department assured to take effective steps to control the increasing trend of expenditure. In view of the assurance of the Department, **the para was settled.**

20. Para 275: Page 367 – Investment

1-12-91: Adjustment having been made and verified by Audit, **the para was settled.**

Government Weaving and Finishing Centre, Shahdara

21. Para 282: Page 388 – Working Results

1-12-91: The Department was directed to take effective steps to control the increasing trend of expenditure and to increase the sale of the Weaving Centre Shahdara. With this observation, **the para was settled.**

22. Para 283: Page 388 – Unnecessary Accumulation of Stock

1-12-91: **The para was settled.**

23. Para 284: Page 389 – Interest on Security Deposits

1-12-91: **The para was settled** subject to verification by Audit.

24. Para 285: Page 389 – Interest on Security

1-12-91: **The para was settled.**

25. Para 286: Page 389 – Allocation of Interest on Capital

1-12-91: The para was settled. Audit may issue necessary advice to the Department for allocating the interest on capital for other fruitful purposes.

26. Para 287: Page 389 – Recovery of Irregular Loan

1-12-91: The Department explained that the loan to the Manager dying section had been got regularised by the Competent Authority. Explanation of the Department was accepted and **the para was settled.**

27. Para 288: Page 389 – Non-accountal of Income in Proper Account

1-12-91: Audit pointed out that the item should have been included in the trading account and not in the profit and loss account. Audit agreed to give necessary advice as requested by the Department. **The para was settled.**

Irrigation and Power Department

Total Paras

24

Abstract

Status	Decision	Para Nos.	Pages
Paras Noted 12	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	293, 294, 295, 296, 297, 298, 311, 312, 313, 314, 315, 316.	Not reproduced
Paras Finally Settled 7	Paras finally settled as the requisite action had been taken.	299, 300, 301, 302, 303, 304, 307.	61-62
Paras Conditionally Settled 2	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	309, 310.	62
Paras Pended 3	Paras pended either the Department had not taken satisfactory action or the working papers had not been submitted.	305, 306, 308.	61-62

Discussed on 13 November 1991 and 16 May 2002.

Mughalpura Irrigation Workshop, Lahore

1. Para 299: Page 405 – Working Results

13-11-91: The Department attributed the working loss of the Workshop, *inter alia*, to non-utilization of its services by the Government Departments. The Department informed the Committee that a provision already existed in the rules to the effect that all Government heavy

machinery should be got repaired through this Workshop but it was not being followed strictly by the Departments. The Committee directed that the Department should observe strict compliance of the provision and it should be mandatory for the Irrigation and Power Department and other Government Departments that, except emergency, all the heavy machinery should be got repaired through the MIW. Subject to these observations, **the para was settled.**

2. Para 300: Page 405 – Profit and Loss Account

13-11-91: Subject to regularization of charging interest on sundry debtors by the competent authority, **the para was settled.**

3. Para 301-302: Page 406 – Manufacturing Account

13-11-91: Subject to verification by Audit of adjustments in subsequent years, **the paras were settled.**

4. Para 303-304: Page 406 – Stock Accounts

13-11-91: The Department explained that stores worth Rs.25 lac had been declared surplus and would be disposed of through public auction. The Committee directed that survey reports should be prepared and unserviceable/surplus stock disposed of within five months. Subject to the above observations, **the paras were settled.**

5. Para 305-306: Page 406 – Non-capitalization of Machinery

13-11-91: The Committee constituted a Sub Committee consisting of the following Members, for physical verification and capitalisation of its total assets etc:-

- | | |
|--------------------------------|----------|
| 1) Ch. Muhammad Riaz, MPA | Convener |
| 2) Ch. Zafar Ullah Cheema, MPA | Member |
| 3) Mr. Farhat Aziz Mazari, MPA | Member |

A representative each of the Finance and Audit Departments were also advised to participate in the meeting. The Department was directed to depute some expert engineer for the assistance of the Sub-Committee. **The para was kept pending.**

6. Para 307: Page 407 – Non-maintenance of Rent Register

13-11-91: Verification having been done by Audit, **the para was settled.**

7. Para 308: Page 407 – Sundry Debtors

13-11-91: The Department was directed to get the verification of the recovery of Rs. 72 lac done by Audit and to make efforts for recovery of the balance amount. **The para was kept pending.**

8. Para 309: Page 407; Sundry Creditors Deposits

13-11-91: Subject to verification of the Accounts by Audit, **the para was settled.**

9. Para 310: Page 407; Sundry Creditors Purchases

13-11-91: Subject to verification of the adjustments by Audit, **the para was settled.**

Livestock Dairy and Poultry Development Department

Total Paras

13

Abstract

Status	Decision	Para Nos.	Pages
Paras Finally Settled 5	Paras finally settled as the requisite action had been taken.	3(8), 3(9), 13, 16, 17.	67-69
Paras Conditionally Settled 2	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	12(1), 14.	68
Paras Pended 6	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	12(2), 15, 18, 19, 20, 21.	67-70

Discussed on 1 December 1991, 6 April 1995 and 16 May 2002.

1. Para 2: Page 4 – Scope of Compilation

1-12-91: The para was settled on the recommendation of Audit.

2. Paras 3(8-9): Page 5 – Non-submission of Accounts to Audit

3(8) Punjab Livestock Dairy and Poultry Development Board, Lahore for the year 1985-86

1-12-91: The accounts of the Board for the year 1985-86 having been checked by Audit, the para was settled.

3(9) Lahore Milk Plant, Lahore for the year 1985-86

1-12-91: The accounts of the plant for the year 1985-86 having been checked by Audit, **the para was settled.**

Punjab Livestock and Dairy Development Board, Lahore

3. Para 12: Page 19 – Non-recovery of Credit Sale Proceeds Rs.1.884 Million

I) Advances to Staff: Rs.64,284/33

1-12-91: The Department explained to the Committee that advances to staff amounting to Rs. 64,284 would be adjusted from their dues. The Department undertook to make adjustments/recovery of the loans within one month. **The item was settled subject to verification by Audit.**

II) Advances to Parties : Rs.169,977/75

(a) Rs.167,760

1-12-91: The matter being sub judice, the Department was directed to pursue the case vigorously. **The item was kept pending.**

(b) Rs.2,217

1-12-91: The Department explained to the Committee that this amount could be adjusted against the final bill of the contractor as the work had already been completed. The Department assured the Committee that there was no loss to the Government and since the contractor was traceable, the adjustment of this final bill would be got regularised from the Competent Authority. The item was settled accordingly.

III) Rs.2,000

1-12-91: The Department was directed to get the amount regularized by the Competent Authority. **The item was settled.**

IV) Rs.40,114/85

1-12-91: As per recommendation of Audit, **the item was settled.**

V) Rs. 42,559

1-12-91: The Department was directed to move the Competent Authority for the write-off of the amount. **The item was settled.**

VI) Rs. 15,07,413

1-12-91: The Committee directed that the recovery be pursued, especially of the huge amounts, (over one lac). The petty amounts whose recovery was uneconomical may be considered for write-off. **The item was kept pending.**

I) Advance of Staff Rs.64,284/33

6-4-95: This part was settled subject to recovery and verification.

II) Advances to Parties

(a) Rs.167,760

6-4-95: The case being sub judice was kept pending. The Administrative Secretary promised to sort out the case history and to submit a comprehensive report to the Committee. **This part was kept pending.**

(b) Rs.1,507,413

6-4-95: The Committee took serious exception that no action had been taken on its previous directive of 1-12-1991, for pursuing the recovery of huge amounts and identifying the petty amounts, whose recovery was uneconomical, for write-off. This part was kept pending. **The para was kept pending.**

4. Para 13: Page 19 – Non recovery of Insurance Claim Rs.695,814

1-12-91: The Board was directed to get the verification done by Audit. Subject to verification, the para was settled.

6-4-95: The explanation of the Administrative Department was accepted and **the para was settled.**

5. Para 14: Page 20; Non-recovery of Old Outstanding Advances Rs.96,624

1-12-91: The Department assured the Committee that adjustment of all the dues would be done within one month's time. The para was settled subject to verification by Audit.

6-4-95: **The para was settled subject to write off** of the balance amount and its verification by Audit.

6. Para 15: Page 20-21 – Avoidable Expenditure of US\$ 23400 and PAK Rs.69,000 on Payment to Expatriate Plant Manager

1-12-91: The Department was directed to hold an inquiry into the facts of the para, and finalize it within one month. The para was kept pending.

6-4-95: The Public Accounts Committee took strong exception that its previous directive for holding inquiry into the case had not been implemented, and directed to expedite the inquiry. **The para was kept pending.**

7. Para 16: Page 21 – Payment of Demurrage of Rs. 67,598 Due to Delay in the Clearance of Consignments

1-12-91: The Department assured the Committee that relevant record would be produced

to Audit for verification, within one month. Subject to verification by Audit, the para was settled.

6-4-95: The requisite approvals had been seen and verified by Audit. **The para was settled.**

8. Para 17: Pages 21-22 – Loss of Rs.7,320 Due to Less Recovery of Sowing Charges of Land Transferred to Army Officer

1-12-91: As per recommendation of Audit, **the para was settled.**

9. Para 18: Page 22 – Loss of Rs. 12.052 Million on the Sale of Dried Skimmed Milk Powder and Shortage Valuing Rs. 3,35,310

1-12-91: The Committee directed that reply of the CBR should be awaited but the Board should pursue the case and finalize within two months. The para was kept pending.

6-4-95: The Public Accounts Committee directed the Department to pursue the case of sale tax and surcharge with the CBR. Moreover, the matter of enroute shortage of 24.325 M. Tons of Skimmed Milk valuing of Rs.344,710 may be inquired into and necessary action taken. **The para was kept pending.**

10. Para 19: Page 23 – Loss of Rs. 3,975 Million Due to Return of 788,285 Litres Curdled Milk

1-12-91: The Department contended that during the years in question the Milk Units even in the private sector ran into losses. The Board was directed to submit a comparative statement of losses sustained by the Board and those sustained by at least two units in the private sector, to the Committee within one month. The para was kept pending.

6-4-95: It was explained by the Department that since this was the initial stage of working of plants, thus the losses occurred. The Public Accounts Committee was not satisfied with the explanation of the Department and directed that the losses may be inquired into by the Department and a comprehensive report about the causes of the losses and to fix the responsibility of the losses, be submitted to the PAC. The Department may also examine whether the matter falls within the purview of Anti-Corruption. **The para was kept pending.**

11. Para 20: Page 24 – Expected Loss of Rs.500,268 in the Disposal of Butter

1-12-91: The Department contended that there was no loss in the transaction as pointed out by Audit.

The Committee directed that the Department should show the relevant record to Audit for detailed examination and report. The para was kept pending.

6-4-95: **The para was kept pending** for verification of record by Audit. The Department

and Audit mutually agreed to meet on 17-4-1995 for verification of record.

12. Para 21: Page 24 – Loss of Milk Due to Leakage Rs.214,405

1-12-91: Audit informed the Committee that due to defective consignment, the Board raised a debit note against the Tetrapak but the fate of that note was not known. The Committee directed that a copy of the debit note along with the relevant details should be produced to Audit for scrutiny. The para was kept pending.

6-4-95: The para was kept pending for verification of record by Audit. The Department and Audit mutually agreed to meet on 17-4-1995 for verification of record.

Services, General Administration and Information Department (Transport Cell)

Total Paras

36

Abstract

Status	Decision	Para Nos.	Pages
Paras Noted 18	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 340, 341, 342, 343.	Not reproduced
Paras Finally Settled 8	Paras finally settled as the requisite action had been taken.	23, 28, 332, 334, 335, 337, 338, 339.	75-77
Paras Conditionally Settled 3	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	25, 26, 27.	75
Paras Pended 7	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	3(10 & 11), 22, 24, 331, 333, 336.	75-77

Discussed on 14 July 1990, 13 November 1991 and 16 May 2002.

Punjab Road Transport Board

1. Para 22: Page 25 – Loss of Rs.209,920 Due to Premature Failure of Tyres

13-11-91: The Board assured the Committee that the price of 19 tyres would be recovered

from the security deposit of the firm which had not yet been released. Three tyres had been written off by the competent authority. The Board further assured the Public Accounts Committee that the amount involved would be recovered within a month. **The para was kept pending.**

2. Para 23: Page 25 – Avoidable Extra Expenditure of Rs.448,245 on Account of Unnecessary Recruitment of Conductors.

13-11-91: Explanation of the Board was accepted by the Committee and **the para was settled.**

3. Para 24: Page 26 – Avoidable Extra Expenditure of Rs.322,104 on Account of Transportation of Volvo Chassis

13-11-91: The Board was directed to supply a copy of the agreement for procurement of the Volvo Buses to the Committee as well as to Audit for scrutiny alongwith the information as to who was officer responsible for the affairs at that time as pointed out in the para. **The para was kept pending.**

4. Para 25: Page 27 – Loss of Rs.48,320 Due to Premature Failure of 33 Locally Purchased Tyres and 100 Donated Tyres

13-11-91: The Committee was informed that the loss of 24 tyres had been written off by the competent authority. The remaining 100 tyres were received through donation, therefore, no write off sanction was required for this loss. Subject to verification by Audit, **the para was settled.**

5. Para 26: Page 28 – Irregular Payment of House Rent Subsidy of Rs.29,034

13-11-91: The Department explained that the officer from whom the amount was recoverable had since retired about one year back. Therefore, fresh proceedings for the recovery of the amount from him could not be initiated at that stage and the amount had to be written off. Subject to verification by Audit of the write off sanction of the competent authority, **the para was settled.**

6. Para 27: Page 28 – Defalcation of Cash Rs.9,450

13-11-91: The Managing Director assured the Committee that the amount involved would be recovered from the Cashier, Mr. Ashraf Ali, subject to a favourable decision of the Labour Court where the case was pending. Subject to recovery and its verification by Audit, **the para was settled.**

7. Para 28: Page 29 – Various Recoveries

14-7-1990: In this para, excess supply of forms of Rs.75,953 to indenting Department in

Punjab Government Press, Lahore was pointed out by Audit. Similarly, pilferage of spares of Rs. 45,000 in Lahore Milk Plant was pointed out by Audit. Later on recovery of Rs. 75,953 had been made from the indenting Department. Stolen parts of Rs.45,000 had also been recovered by the Department which were verified by Audit. **The para was settled** as recommended by Audit.

Punjab Road Transport Board, Lahore

8. Para 331: Page 429 – Operational Results

13-11-91: The Managing Director informed the Committee that they had prepared the balance sheets upto 1989-90 and after the Chartered Accountants had approved these balance sheets, the same would be submitted to Audit. The Board was directed to do the needful within a month. **The para was kept pending.**

9. Para 332: Page 430 – Loss of Rs. 1143.745 Million

13-11-91: The Department explained that the policy decision for winding up this Corporation which was running into huge loss, was pending with the Government.

The Committee observed that it was going to be continuous burden on the public exchequer and directed that the Secretary Transport should get a policy decision expeditiously for settling the fate of the PRTC as an organization so that the Government did not face further losses. A copy of these minutes should be sent to the Minister for Transport and Chief Minister's Secretariat. With these observations, **the para was settled.**

10. Para 333: Page 430 – Sundry Debtors

13-11-91: The Department explained that the outstanding balance had since been reduced to Rs.10.69 lac and that too was recoverable from other Government Institutions. The Committee directed to put up the matter before the Board in their next meeting and convey the decision to the Public Accounts Committee within three months. **The para was kept pending.**

11. Para 334: Page 430 – Increase in Outstanding Amount

13-11-91: Verification having been done by Audit, **the para was settled.**

12. Para 335: Page 430 – Misappropriation of Stores

13-11-91: Adjustment of books having been verified by Audit, **the para was settled.**

13. Para 336: Page 430 – Misappropriation of Funds

13-11-91: The Department stated that the decision of the Government in this respect was

awaited. The Committee directed that the decision of the Government should be awaited. **The para was kept pending.**

14. Para 337: Page 431 – Demarcation of Plots Purchased by PRTB

13-11-91: The record having been produced to Audit and verified by it, **the para was settled.**

15. Para 338: Page 431 – Non-accountal of the Purchased Land

13-11-91: Needful having been done and verified by Audit, **the para was settled.**

16. Para 339: Page 431 – Improper Maintenance of Securities

13-11-91: Explanation of the Department was accepted and **the para was settled.**

Annexure

GOVERNMENT OF THE PUNJAB FINANCE DEPARTMENT

NOTIFICATION

Dated: Lahore the 20 October 2000

No.FD/Accts:/(A&A)/V-7/69. In exercise of the powers conferred upon him under the order of the Chief Executive of Pakistan contained in letter No.1(74)SO(C-2)/2000 dated 31st July 2000 read with Article 2 of the Powers and Functions of the Governors Order 19 (No.5 of 1999), the Governor of the Punjab is pleased to constitute, until further orders, an ad hoc Public Accounts Committee for examining the appropriation and other accounts of the Government of the Punjab and the reports of the Auditor General thereon and for dealing with the unfinished business of the Standing Committees on Public Accounts of the Provincial Assembly of the Punjab suspended on the twelfth day of October 1999, consisting of the following namely:

- | | |
|--|--------|
| 1. Mr Aftab Ahmad
(Retd. Secretary C&W) | Member |
| 2. Mr Ahmad Raza Khan
(Retd. Addl. Secretary) | Member |
| 3. Mr Ali Kazim, Advocate
(Retd. Civil Servant) | Member |
| 4. Ch Muhammad Aslam
(Retd. Provincial Secretary) | Member |
| 5. Prof. (R) Dr Ejaz Ahsan
(Retd. Principal KEMC) | Member |
| 6. Prof. (R) Dr Khalid Hameed Sheikh
(Retd. Vice Chancellor, Punjab University) | Member |
| 7. Mian Abdul Qayyum
(Retd. Federal Secretary) | Member |
| 8. Mr Muhammad Ahmad Bhatti
(Retd. Provincial Secretary) | Member |
| 9. Major General (Retd) Muhammad Akram
461-CC, Phase IV, DHA, Lahore | Member |
| 10. Mr Muzaffar Mahmood Qureshi
(Retd. Federal Secretary) | Member |
| 11. Mr Riaz Hussain Bokhari,
(Retd. Auditor General of Pakistan) | Member |

2. Mr Riaz Hussain Bokhari, will act as Chairman of the ad hoc Public Accounts Committee, until further orders.

3. (1) In scrutinizing the appropriation and other accounts of the government and the reports, including special audit reports and performance audit reports of the Auditor General of Pakistan thereon, it shall be the duty of the ad hoc Public Accounts Committee, hereinafter referred to as Committee, to satisfy itself:

- (a) that the moneys shown in the accounts as having been disbursed were legally available for and applicable to, the service or purpose to which they have been applied or charged.
- (b) that the expenditure conforms to the authority which governs it.
- (c) that every re-appropriation has been made in accordance with the provisions made in this behalf under the rules framed by the Finance Department.
- (d) that the money shown in the accounts was spent with due regard to regularity, propriety, economy, efficiency and effectiveness.

(2) It shall also be the duty of the Committee:-

- (a) to examine the statement of accounts showing the income and expenditure of state corporations, trading and manufacturing schemes, concerns and projects together with the balance sheets and statements of profit and loss accounts which the Governor may have required to be prepared or are prepared under the provisions of the statutory rules regulating the financing of a particular corporation, trading of manufacturing scheme or concern or project and the report of the Auditor General of Pakistan thereon;
- (b) to examine the statement of accounts showing the income and expenditure of autonomous and semi-autonomous bodies, the audit of which may be conducted by the Auditor General of Pakistan either under the directions of the Governor or under an Act of Assembly; and
- (c) to consider the report of the Auditor General of Pakistan in case where the Governor may have required him to conduct the audit of any receipts or to examine the accounts of stores and stocks.

(3) If any money has been spent on any service during a financial year in excess of the authorized grant or appropriation for that purpose, the Committee shall examine with reference to the facts of each case the circumstance leading to such an excess and make such recommendations as it may deem fit.

4. The Committee will make arrangements for clearance of backlog of audit reports passed on to it as unfinished business of the aforesaid Standing Committees of the Provincial Assembly. Recommendations of the Committee shall be submitted for final approval to the Minister for Finance Punjab within one year positively.

5. The recommendations made by the aforesaid Standing Committees of Provincial Assembly of the Punjab in the finalized reports for the previous years shall be submitted by the Committee to the Finance Minister for approval. The Committee shall also oversee implementation of its approved recommendations.

6. The Provincial Assembly Secretariat will function as the Secretariat of the Ad hoc Public Accounts Committee.

Sd/-
(M. AKRAM MALIK)
Secretary to Government of the Punjab
Finance Department

No. FD/Accts:/(A&A)/V-7/69

Dated Lahore the, 20th October 2000

Copy forwarded for information to:-

- 1) All Administrative Secretaries to Government of the Punjab.
- 2) All Heads of Departments in the Punjab.
- 3) Secretary, Provincial Assembly of the Punjab, Lahore.

Sd/-
(Muhammad Anwar Cheema)
Under Secretary (M-1)
Government of the Punjab
Finance Department

No. FD/Accts:/(A&A)/V-7/69

Dated Lahore the, 20th October 2000

Copy forwarded for information to the:-

- 1) Auditor General of Pakistan, Constitution Avenue, Islamabad.
- 2) Accountant General, Punjab, Lahore.
- 3) Director General, Audit (Works), Punjab, Lahore.
- 4) Director General, Audit, Punjab, Lahore.
- 5) Director General, Commercial Audit, Lahore.
- 6) Director General, Revenue Receipt Audit, Punjab, Lahore.
- 7) Director General, Accounts (Works), Lahore.

Sd/-
(Muhammad Anwar Cheema)
Under Secretary (M-1)
Government of the Punjab
Finance Department

No. FD/Accts:/(A&A)/V-7/69

Dated Lahore the, 20th October 2000

A copy is forwarded to the Superintendent Government Printing Punjab, Lahore, for publication in the Punjab Gazette and for supplying 10 printed copies to this Department for record.

Sd/-
(Muhammad Anwar Cheema)
Under Secretary (M-1)
Government of the Punjab
Finance Department