

Report(1988-89)

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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 (PACs), 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. PACs examine, with reference to the facts of each case, the circumstances leading to any excess expenditure, or immoderate savings and make appropriate recommendations.

3. As required under Article 171 of the Constitution of Islamic Republic of Pakistan, Appropriation Accounts and Finance Accounts of the Government of the Punjab and Reports of the Auditor-General of Pakistan for the year 1988-89 were laid before the Provincial Assembly of the Punjab on 19 June 1991. The Assembly referred the Report on Commercial Accounts to Public Accounts Committee-II (PAC-II), and the other reports (Civil, Works and Receipts), to Public Accounts Committee-I (PAC-I), for consideration.

4. These, along with the Reports of former and succeeding years remained under consideration of different Public Accounts Committees (PACs), including the present *ad hoc* PAC, from 1991 to 2002.

Civil, Works and Receipts

5. PAC-I, constituted on 21 March 1991, 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. That Committee initially examined the reports on 15 October 1991. The same, along with other pending Reports, remained under consideration of the Committee till 18 July 1993 when the Assembly was dissolved, and with that the Committee also ceased to function.

6. The unfinished work was taken up by the successor PAC-I, 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. The Committee considered the reports in a series of meetings; however, before it could finalize its report, the Assembly was dissolved on 17 November 1996.

7. The pending work was, then, considered by the next PAC-I, constituted on 14 October 1997. It consisted of Raja Muhammad Khalid Khan (*Chairman*), Raja Muhammad Javaid Ikhlas, 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. Having further considered the reports, the Committee prepared the draft report; 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 PAC-I ceased to function.

Commercial Accounts

8. PAC-II, constituted on 26 June 1994, consisted of Mr Muhammad Arif Chatha (*Chairman*), Mian Intisar Hussain Bhatti, Mian Manazir Ali Ranjha, Malik Muhammad Ishaq Bucha, Mr Khalid Pervez Virk, Mian Ata Muhammad Khan Manika, Mr S.A. Hameed, Chaudhry Muhammad Riaz, Chaudhry Muhammad Iqbal and Syed Akhtar Hussain Rizvi. It had the preliminary examination of the Report on Commercial Accounts on 19 December 1994; completed its deliberations on 22 October 1996; and, prepared a rough draft of its report; but, before it could proceed further, the Assembly was dissolved on 17 November 1996.

9. The remaining work was, then, taken up by PAC-II constituted on 13 October 1997. It consisted of Ch Muhammad Safdar Shakir (*Chairman*), Mr Mansoor Ahmad Khan, Khawaja Saad Rafique, Mr Akhtar Mahmood, Ch Zafar Ullah Cheema, Sardar Naeemullah Khan Shahani, Sardar Amjad Hameed Khan Dasti, Haji Muhammad Nawaz, Mian Imran Masood, and Rana Sana Ullah Khan. The Committee prepared the draft report 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 PAC-II also ceased to function.

Ad hoc PAC

10. At that time, the defunct Public Accounts Committees had been seized of heavy backlog. 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*).

11. 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.

12. The Committee decided to finalize the report for the year 1988-89 on the basis of the decisions taken by the earlier PACs, as well as its deliberations on 30 May 2002. The Committee, in its meeting on 25 July 2002, approved the Report in hand.

13. This Report is arranged in 22 Chapters. Chapter 1 consists of general observations and recommendations of the former PACs; Chapter 2 contains a summary of the deliberations of the PACs about the Appropriation Accounts. The remaining Chapters deal with the audit paras/ observations separately arranged for each department. A synopsis for each department has been added for ready reference.

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

(Dr Syed Abul Hassan Najmee)

**25 July
2002**
Secretary

Provincial Assembly of the Punjab

Abstract

APPROPRIATION ACCOUNTS

Total Grants	Grants Finally Settled	Grants Settled subject to approval of Excess Budget Statement	Grants Pended
49	16	4	29

AUDIT PARAS

Total Paras	Paras Noted	Paras Finally Settled	Paras Conditionally Settled	Paras Pended
1235	184	599	100	352

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 *ad hoc* 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 Committees had completed their examination of the Auditor-General's Reports on the Accounts (1988-89) of the Government of the Punjab. Although the Committee reports had been drafted, these could not be approved for submission to the Assembly before its suspension on 12 October 1999.

3. The *ad hoc* PAC further examined the matter in its meeting on 30 May 2002 and finalised its recommendations.

4. Based on the minutes of the meetings of the previous PACs, as well as the decision of the present PAC, the Report on the Accounts for 1988-89 has now been compiled. A summary has also been prepared of the General Observations and Recommendations made by the Committees in the course of their examination of the Audit Reports and the explanations provided by the Departments.

5. In its meeting held on 25 July 2002, the *ad hoc* PAC approved the submission of this Report to the Finance Minister.

6. It is recommended that the Departments and Organizations concerned should take note of the various directives and suggestions in this Report. 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.

7. 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 Report.

(Riyaz H. Bokhari)

25 July 2002

Chairman

Ad hoc Public Accounts Committee

General Observations and Recommendations

While considering the pending Audit Reports, the PACs made the following observations and recommendations.

1. *Management/Reconciliation of Accounts:* The PACs observed that the departments had failed to maintain effective financial control, resulting in grave financial indiscipline and serious loss to public exchequer. For example –

(a) the departments did not keep the expenditure within the budgetary grants and, incurred excess expenditure with impunity, even without demanding additional funds where necessary;

(b) funds surplus to the requirements were not offered for surrender before the close of the financial year;

(c) accounts were not reconciled at the relevant time, and even after the lapse of years;

(d) Government receipts were not promptly deposited in Treasury and were kept in personal custody/use;

(e) financial lapses/irregularities were indulgently condoned either by inaction or by writing off the loss, or by granting *ex post facto* sanction, especially after a lapse of considerable time and merely to settle an audit para;

(f) departmental action was not taken even in cases of gross financial irregularity, fraud or defalcation; and, the departments simply slept over the matter after having casually referred such cases to the Anti-Corruption Department or to the Police;

(g) NOCs were issued to the retired Government servants against whom government dues had been outstanding;

The PACs desired that the departments should –

(a) improve and strengthen financial control over the budgetary grants;

(b) reconcile accounts on monthly basis;

(c) view seriously cases of unlawful/irregular expenditure, such as an expenditure over and above the budgetary allocation, or in disregard of codal formalities;

(d) orders of regularization or write off or *ex post facto* sanction etc be given, only in cases of extreme necessity, and at the appropriate level;

(e) timely departmental action be also taken against those responsible for loss to

public exchequer and exemplary punishment be awarded to them;

(f) the level of receipt of Government money be raised, and effective steps be taken to ensure that the receipts are deposited without delay;

(g) in public works departments -

* the cheques may be signed both by the Executive Engineer and the Divisional Accountant; and

* wherever necessary, action against Divisional Accountants be also taken along with others.

2. *Audit Objections:* The PACs viewed with concern the impassive practice of attending to the audit objections/paras only after a meeting of the PAC was fixed. The PACs directed that Government must ensure that the departments -

(a) take action to settle an audit objection at the earliest opportunity;

(b) review, at regular interval, the progress of all the pending audit paras;

(c) initiate disciplinary action in appropriate cases; and

(d) complete the action required to settle an audit objection within six months of the receipt of an Audit Report.

3. *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 PACs did not have time to examine the same. Written instructions issued by the PACs, from time to time, had little effect. The PACs directed that -

(a) the departments/agencies submit the appropriate working papers at least ten days before the meeting;

(b) regardless whether or not audit comments were available, all the pending audit paras be included in the working papers for a meeting of the PAC; and

(c) the working papers must contain full facts and latest position of the case; and should be authenticated by the Head of the Department.

4. *Casual attitude before the PACs:* It was 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. That is why they brought with them the whole train of officers/official. During the meetings, they were often obliged to seek the assistance of their subordinates, sometimes at a very low level. The practice was not only inappropriate but it also involved huge public expense in the form of TA/DA. Government must take corrective steps in this behalf.

5. *Directives of the PACs and Compliance Paras:* It was 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. Moreover, 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. 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.

6. *Verification of recovery:* To minimise chances of fraud and forgery, Challan number and its date should also be mentioned while verifying recovery.

7. *Maintenance of Records:* The PACs stressed that Government should implement the rules/instructions regarding proper maintenance of official record, and its timely production before the Audit as well as the PACs.

8. *Court cases:* It was noticed 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. Serious attempts had not been made to get the stay orders vacated, with the result that recoveries and actions had been impeded. The PACs felt concerned about the state of affairs, and recommended to the Government that effective remedial steps be taken in public interest.

9. *Commercial System of Accounting:* The PACs 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 PACs urged that proper training be imparted to those who are responsible for maintaining accounts on commercial pattern.

APPROPRIATION ACCOUNTS

(1988-89)

Overview

Total No. of Grants	Settled	Pended
49	20	29

Abstract

Status	Number and Title of Grant	Details
Grants Finally Settled 16	1. Opium 2. Land Revenue 3. Provincial Excise 5. Forest 6. Registration 7. Charges on account of Motor Vehicles Act 8. Other Taxes and Duties 15. Education 17. Public Health 18. Agriculture 20. Veterinary 32. Civil Defence 33. State Trading in Food Grain and Sugar 34. State Trading in Medical Stores & Coal 36. Development 38. Agriculture and Research	Table I
Grants Settled subject to approval of Excess Budget Statement 4	4. Stamps 12. Jails and Convict Settlements 19. Fisheries Nil-Floating Debt	Table II
Grants Pended 29	9. Irrigation & Land Reclamation 10. General Administration 11. Administration of Justice 13. Police 14. Museums 16. Health Services 21. Co-operation 22. Industries 23. Miscellaneous 24. Civil Works 25. Communications 26. H& PP 27. Relief 28. Pensions 29. Stationery & Printing 30. Subsidies 31. Miscellaneous 35. Loans to Government Servants 36. Development 37. Irrigation Works 39. Industrial Development 40. Town Development 41. Roads and Bridges 42. Government Buildings 43. Loans to Municipalities and Autonomous Bodies Nil-Permanent Debt Nil - Repayment of Loans from Federal Government Nil-Interest on Debt and other obligations Nil-Privy Purses	Table III

TABLE I

Grants Settled

The following Grants were settled either because the saving was within the permissible limit or the explanation of the Department for higher saving was accepted –

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
1. Opium	448,780	404,668	(-) 44,112 (9.83%)	Minutes dated 14-3-1993, issued vide No. Com/PAC/86-87/93/1751 dated 19-6-1993.
2. Land Revenue	197,457,560	197,546,828 *187,185,251	(+) 89,268 (0.045%) (-)* 10,272,309 (5.20%)	Minutes dated 3-1-1993, issued vide No. Com/PAC/86-87/93/476 dated 8-2-1993.
3. Provincial Excise	24,925,000	23,942,490	(-) 982,510 (3.94%)	Minutes dated 14-3-1993, issued vide No. Com/PAC/86-87/93/1751 dated 8-2-1993.
5. Forest	213,100,070	235,206,083 *206,562,620	(+) 22,106,013 (10.37%) (-)* 6,537,450 (3.07%)	Minutes dated 1-1-1995, issued vide No. Com/PAC/86-87/93/221 dated 12-1-1995.
6. Registration	4,528,200	4,481,610	(-) 46,590 (1.02%)	Minutes dated 3-1-1993, issued vide No. Com/PAC/86-87/93/476 dated 8-2-1993.
7. Charges on account of Motor Vehicles Act	12,035,800	11,484,847	(-) 550,953 (4.58%)	Minutes dated 14-3-1993, issued vide No. Com/PAC/86-87/93/1751 dated 8-2-1993.

8. Other Taxes and Duties		38,336,560	37,867,782	(-) 468,778 (1.22%)	Minutes dated 13-1-1993. Minutes dated 14-3-1993, issued vide No. Com/PAC/86-87/93/1751 dated 8-2-1993.
15. Education		6,919,330,140	6,142,771,914	(-) 776,558,226 (11.22%)	Minutes dated 14-3-1993, issued vide No. Com/PAC/86-87/93/1751 dated 8-2-1993.
17. Public Health					
85,478,540	81,175,800	(-) 4,302,740 (5.03%)	Minutes dated 7-5-1995, issued vide No. PAC/88-89/2489 dated 10-6-1995.		
18. Agriculture		611,323,740	607,619,657 *607,057,575	(-) 3,704,083 (0.61%) *(-) 4,266,165 (0.70%)	Minutes dated 15-3-1993, issued vide No. PAP/88-89/1889 dated 7-7-1993.
20. Veterinary		312,210,670	308,282,356	(-) 3,928,314 (1.26%)	Minutes dated 1-1-1995, issued vide No. Com/PAC/86-87/93/221 dated 12-1-1995.
32. Civil Defence		14,741,920	14,007,344	(-) 734,576 (4.98%)	Minutes dated 1-2-1993, issued vide No. Com/PAC/86-87/93/1436 dated 10-5-1993.
33. State Trading in Food Grain & Sugar (c)		482,840,000 *387,062,000	172,937,227 *172,937,227	(-) 309,902,773 (64.18%) *(-) 214,124,773 (55.32%)	Minutes dated 2-2-1993, issued vide No. Com/

(v)				PAC/86-87/93/1503 dated 18-5-1993.
	7,034,838,930	6,519,299,138 *6,518,937,687	(-) 515,539,792 (7.33%) *(-) 515,901,243 (7.33%)	Minutes dated 2-2-1993, issued vide No. Com/PAC/86-87/93/1503 dated 18-5-1993.
34. Schemes of State Trading in Medical Stores & Coal	617,549,800	360,902,807	(-) 256,646,993 (41.56%)	Minutes dated 4-4-1993, issued vide No. Com/PAC/86-87/93/1715 dated 13-6-1993.
36. Development Forest	77,180,000	87,721,878 *7,339,394	(+)10,541,878 (13.66%) (-) *69,840,606 (90.49%)	Minutes dated 12-1-1993, issued vide No. Com/PAC/86-87/93/1230 dated 24-4-1993.
38. Agriculture Improvement & Research	24,524,680	20,753,533	(-) 3,771,147 (15.38%)	Minutes dated 15-3-1993, issued vide No. PAP/88-89/1889 dated 7-7-1993.

TABLE II

The following Grants were settled subject to the approval of Excess Budget Statement –

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
4. Stamps	10,912,080	16,725,080	(+) 5,813,000 (53.27%)	Minutes dated 3-1-1993, issued vide No. Com/PAC/86-87/93/476 dated 8-2-1993.

12. Jails and Convict Settlements	202,025,870	206,827,861	(+) 4,801,991 (2.38%)	Minutes dated 1-2-1993, issued vide No. Com/PAC/86-87/93/1436 dated 10-5-1993.
19. Fisheries	32,678,080	32,711,704	(+) 33,624 (0.10%)	Minutes dated 12-1-1993, issued vide No. Com/PAC/86-87/93/1230 dated 24-4-1993.
Nil. Floating Debt	(c) 5,638,024,000	5,890,040,346	(+) 252,016,346 (4.47%)	Minutes dated 2-2-1993, issued vide No. Com/PAC/86-87/93/1503 dated 18-5-1993.

*After reconciliation

TABLE III Grants Pended

The following Grants were either partly settled, or settled subject to reconciliation, or pended or not discussed, as indicated against each –

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
9. Irrigation and Land Reclamation	1,651,504,020	1,879,280,026	(+) 227,776,006 (13.80%)	Partly settled. Minutes dated 2-1-1995, issued vide No. Com/PAC/86-87/93/286 dated 17-1-1995.
10. General Admn.	(c) 24,740,360	22,155,850	(-) 2,584,510 (10.45%)	Partly settled. Minutes dated 8-1-2001, issued vide No. <i>Ad hoc</i> PAC (3)/2000/266 dated 20-1-2001.
	(v) 839,902,490	606,626,235	(-) 233,276,255 (27.78%)	Partly settled. Minutes dated 8-1-2001, issued vide No. <i>Ad hoc</i> PAC (3)/2000/266 dated 20-1-2001.
11. Admn. of Justice	(c) 55,866,430	56,226,685	(+) 360,255 (0.64%)	Not discussed
	(v) 140,538,120	141,606,018	(+) 1,067,898 (0.76%)	Partly settled. Minutes dated 14-3-93, issued vide No. Com/PAC/86-87/93/1751 dated 8-2-1993.
13. Police	1,791,925,780	1,794,641,318	(+) 2,715,538 (0.15%)	Pended. Minutes dated 1-2-1993.
14. Museums	4,044,450	4,150,691	(+) 106,241 (2.63%)	Not discussed
16. Health Services	1,831,866,130	1,804,895,744	(-) 26,970,386 (1.47%)	Pended. Minutes dated 6-6-1995, issued vide No. Com/PAC/88-89/95/3261 dated 18-7-1995.
21. Co-operation	72,230,900	70,773,216	(-) 1,457,684 (2.01%)	Pended. Minutes dated 6-6-1995, issued vide No. Com/PAC/88-89/95/3261 dated 18-7-1995.
22. Industries	96,120,520	94,226,437	(-) 1,894,083 (1.97%)	Not discussed

23. Miscellaneous	220,787,610	235,499,627	(+) 14,712,017 (6.66%)	Partly settled. Minutes dated 12-1-93, issued vide No. Com/PAC/86-87/93/1230 dated 24-4-1993 and Minutes dated 13-3-1993
24. Civil Works	(c) 1,234,500	3,215,638	(+) 1,981,138 (160.48%)	Pended. Minutes dated 5-12-1994, issued vide No. Com/PAC/86-87/93/60 dated 2-1-1995.
	(v) 510,175,310	468,839,906	(-) 41,335,404 (8.10%)	Partly settled. Minutes dated 5-4-1993. Minutes dated 7-11-1994, issued vide No. Com/PAC/88-89/93/5356 dated 21-11-1994 and Minutes dated 12-11-1998, issued vide No. Com/PAC/88-89/98/3816 dated 5-1-1999.
25. Communications	551,479,510	507,846,673	(-) 43,632,837 (7.91%)	Partly settled. Minutes dated 3-3-1993. Minutes dated 8-11-1994, issued vide No. Com/PAC/88-89/95/5356 dated 21-11-1994.
26. Housing & PP	144,735,310	64,361,911	(-) 80,373,399 (55.53%)	Pended. Minutes dated 5-4-1993
27. Relief	55,400,640	34,527,103	(-) 20,873,537 (37.68%)	Pended. Minutes dated 5-4-1993
28. Pensions	1,948,217,000	1,883,109,503	(-) 65,107,497 (3.34%)	Not discussed.
29. Stationery & Printing	81,443,610	73,783,630	(-) 7,659,980 (9.41%)	Not discussed.
30. Subsidies	1,371,478,650	16,838,308	(-) 1,354,640,342 (98.77%)	Not discussed.
31. Miscellaneous	783,462,790	723,414,079	(-) 60,048,711 (7.66%)	Partly Settled. Minutes dated 3-1-1993, issued vide No. Com/PAC/88-89/93/476 dated 8-2-1993 and Minutes dated 13-3-1993
35. Loans to Government Servants	47,500,000	25,646,234	(-) 21,853,766 (46.00%)	Not discussed.
36. Development	2,843,200,170	2,758,636,408	(-) 84,563,762 (2.97%)	Partly Settled. Minutes dated 3-1-93, issued vide No. Com/PAC/88-89/93/476 dated 8-2-1993, Minutes dated 15-3-1993, issued vide No. Com/PAC/88-89/93/1889 dated 7-7-1993 and Minutes dated 1-1-1995, issued vide No. Com/PAC/86-87/93/221 dated 12-1-1995.
37. Irrigation Works	308,887,380	1,514,579,063	(+) 1,205,691,683 (390.33%)	Partly Settled. Minutes dated 3-1-93, issued vide No. Com/PAC/88-89/93/476 dated 8-2-1993, Minutes dated 15-3-1993, issued vide No. Com/PAC/88-89/93/1889 dated 7-7-1993 and Minutes dated 1-1-1995, issued vide No. Com/PAC/86-87/93/221 dated 12-1-1995.
39. Industrial Development	5,233,000	2,639,000	(-) 2,594,000 (49.57%)	Not discussed.

40. Town Development	52,500,000	64,143,912	(+) 11,643,912 (22.18%)	Pended. Minutes dated 7-5-1995, issued vide No. PAP/88-89/2489 dated 10-6-1995.
41. Roads and Bridges	2,033,577,310	2,648,864,259	(+) 615,286,949 (30.27%)	Partly settled. Minutes dated 13-4-1993, issued vide No. PAP/88-89/1979 dated 21-10-1993.
42. Government Buildings	2,246,958,010	1,711,415,162	(-) 535,542,848 (23.83%)	Pended. Minutes dated 7-11-1994, issued vide No. PAP/88-89/5356 dated 21-11-1994.
43. Loans to Municipalities, Autonomous Bodies	749,835,400	661,591,902	(-) 88,243,498 (11.77%)	Partly settled. Minutes dated 13-4-1993, issued vide No. PAP/88-89/1979 dated 21-10-1993.
Nil. Permanent Debt	(c) 76,847,200	74,209,432	(-) 2,637,768 (3.43%)	Not discussed.
Nil Repayment of Loans from the Federal Govt.	(c) 564,131,000	489,227,283	(-) 74,903,717 (13.28%)	Not discussed.
Nil. Interest on Debt & other obligations	(c) 5,543,968,000	5,594,858,335	(+) 50,890,335 (0.91%)	Not discussed.
Forest	(v) —	17,752,432	(+) 17,752,432 (100%)	Not discussed.
Total:-	5,543,968,000	5,612,610,767	(+) 68,642,767 (1.24%)	
Nil. Privy Purses	(c) 533,300	1,633,081	(+) 1,099,781 (206.22%)	Not discussed.

Agriculture Department

Overview

Total Paras	Civil	Commercial
237	88	149

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 92	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 1.5, 1.6, 2.2, 2.4, 2.5, 2.8, 2.10	7
		Commercial: 1, 2, 4, 5, 6, 48, 49, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 87, 88, 89, 90, 91, 92, 93, 94, 95, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 123, 124, 125, 126, 127, 128, 129, 130, 131, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160.	85
Paras Finally Settled 105	Paras finally settled as the requisite action had been taken.	Civil: 1.5.1, 1.6.1(1), 1.6.1(2), 1.6.2(1), 2.2.1(1), 2.2.1(2), 2.2.1(3), 2.2.1(4), 2.2.1(5), 2.2.1(6), 2.2.2, 2.2.3, 2.2.4(1), 2.2.4(2), 2.2.4(3), 2.2.4(4), 2.2.4(5), 2.2.5(1), 2.2.5(2), 2.2.5(3), 2.2.6, 2.2.7(1), 2.2.7(2), 2.2.7(3), 2.2.7(5), 2.2.7(6), 2.2.7(7), 2.2.7(8), 2.2.7(9), 2.2.7(10), 2.4.1(1), 2.4.1(2), 2.4.1(3), 2.5.1(1), 2.5.1(2), 2.5.1(3), 2.5.2, 2.8.1(1), 2.8.1(2), 2.8.1(3), 2.8.1(4), 2.8.1(5), 2.8.1(6), 2.8.2, 2.8.3(1), 2.8.3(2), 2.8.4(1), 2.8.4(2), 2.8.4(3), 2.8.4(4), 2.8.4(5), 2.10.1(1), 2.10.1(2), 2.10.1(3), 2.10.1(4), 2.10.1(5), 2.10.1(6)	57
		Annexure Paras: 1(1)(ii), 1(1)(iii), 1(i), 1(ii), 1(iii), 1(v), 1(vi), 1(vii), 1(viii), 2(i), 2(ii), 2, 3(ii), 3(iii), 9	15
		Commercial: 3(i), 3(ii), 3(iii), 3(iv), 3(v), 3(vi), 3(vii), 3(xviii), 8, 10, 28, 50, 51, 52, 53, 65, 67, 83, 84, 85, 86, 97, 98, 99, 100, 102, 105, 116, 121, 122, 132, 134, 136	33
Paras Conditionally	Paras settled with the direction that the Department shall	Commercial: 13,14,15,20,27, 66	6

Settled 6	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.		
Paras Pended 34	Paras pended either because the department had not taken satisfactory action or the working papers had not been submitted.	Civil: 1.5.2(1), 1.5.2(2), 1.6.2(2), 2.2.7(4),	4
		Annexure Paras: 1(1)(i), 1(1)(iv), 2, 1(iv), 6(2)	5
		Commercial: 7, 9, 11, 12, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 29, 96, 101, 103, 104, 117, 118, 119, 120, 133, 135.	25
Discussed on 15 March 1993; 23 January, 20, 23 & 26 March, 7 June, 27 December 1995, 29 January, 17 October 1996, 3 June 1999 and 30 May 2002.			

(Civil Audit)

1. Para 1.5: Page 23 – Negligence Rs.2,647,592

30.5.02: The Committee noted the para as it contained summary of the two cases of negligence with reference to the undermentioned paras 1.5.1 and 1.5.2.

2. Para 1.5.1: Page 23 – Wastage of Cement due to Prolonged Storage Rs.37,582

Audit had observed: “bags of cement of the above value were lying in the stock since 21.12.1987 which has lost its potency and rendered useless.”

7.6.95: The Department explained that cement had been stored properly and issued to the farmers for soil conservation works. Accountal and issuance of the remaining 437 bags had been verified by Audit. The explanation of the Department was accepted and **the para was settled.**

3. Para 1.5.2(1)(2): Page 23-24 – Subsidy Allowed without Fulfillment of Requirements Rs.2,610,010

Audit had observed: “Subsidy to the extent indicated above, was allowed to farmers on Soil Conservation Works i.e. construction of Small Dams, walls, Ponds etc without fulfillment of the basic requirements.”

7.6.95: The Department explained that expenditure amounting to Rs.2,610,009 had been made to the farmers on account of subsidy for completion of various schemes of soil conservation. The position had also been verified by Audit. At this stage the Director General Audit Punjab, apprised the PAC that while preparing for the meeting of PAC, he had gone through the case in detail and he was not satisfied with the verification carried out by Audit.

He added that there was every possibility of misappropriation of Government money by fictitious/bogus works. Therefore, he intended to re-examine the case and also inquire against the officer who carried out the verification.

On the submission of the Director General Audit Punjab, the PAC expressed that if the payments were made without executing the work then it was a criminal offence and directed that the Director General, Audit should conclude his inquiry and submit his remarks to PAC within one month. The Committee directed that it may also be checked by Audit, whether the works had actually been executed on the spot or not. All parts of the para were kept pending.

3.6.99: The Department explained that payments of subsidy were made to the owners of land and not to the tenants. All the work of construction of spillways, walls, ponds, small dams & afforestation was executed after preparing estimate and getting the same sanctioned by the Competent Authority. The date of start and completion were given on the bill and in the measurement book which was the proper document in this regard. In case of afforestation the Department was not in a position to exercise watch & ward duty of the new plantation. Also the Department did not have sufficient staff to take care of the watering of the new plantation. Therefore, these functions were entrusted to the farmers which they did not perform vigilantly and almost 80% of the plantation was destroyed by the grazing animals and lack of watering. As such, there was no element of alleged misappropriation of Government money or irregular payments. Audit submitted that the matter was examined in detail by doing physical verification and spot checking. As a result it was concluded that about 80% work of afforestation and construction of spillways etc. was paper work. In most of the cases the same farmers were paid subsidy time and again.

The PAC felt quite dissatisfied with the explanation of the Department and directed that an inquiry committee consisting of one high ranking honest officer of the Department and one representative from the D.G. Audit Punjab, may be constituted to examine the issue. The Committee would inquire:-

1. whether the payments were made without executing the work or otherwise.
2. whether the work was actually executed on the site or not.
3. fix the responsibility for the misappropriation of Government money and irregular payments.
4. how many land owners were involved in the case of repeated payments.

The PAC directed the Administrative Secretary to constitute the requisite inquiry committee and its report may be submitted to the PAC within three months. **The paras were kept pending.**

4. Para 1.6: Page 24 – Rules violation Rs.108,885

30.5.2002: The Committee noted the para as it contained summary of the two cases of violation of rules with reference to the undermentioned paras 1.6.1 and 1.6.2.

5. Para 1.6.1(1): Page 24 – Expenditure on Construction Work without Observing Rules Rs.10,000

Audit had observed: “ Various construction works for the stated amount were either carried out through the contractors instead of Public Works Department or without obtaining the Administrative Approval and Technical sanction.”

7.6.95: The Department explained that estimate of the work was duly approved by the Competent Authority and the work was got done by the Government contractor after completion of all the requisite formalities. The

factual position had also been verified by Audit. **The para was settled.**

6. Para 1.6.1(2): Page 24 – Expenditure on Construction Work without Observing Rules Rs.59,885

15.3.93: According to the Rule 16.2 of PFR Vol-I and in terms of S.No.6 of Part II Special Powers to certain Departments and Officers, the Director of Agriculture was competent to accord sanction of expenditure up to Rs.20,000. Audit had verified the relevant record. **The para was settled.**

7. Para 1.6.2(1): Page 25 – Purchase of Novel/Unusual Items without Proper Sanction Rs.9,430

Audit had observed: “ Articles of Novel and unusual character valuing the stated extent, were purchased without prior approval of the Finance Department as required under F.D. letter No.Fd.Acctt./CA&A) – III-2/73, dated 7.5.1973.”

7.6.95: The Department explained that factual position had already been verified by Audit and every thing was in order.

The explanation of the Department was accepted and **the para was settled.**

8. Para 1.6.2(2): Page 25 – Purchase of Unusual/Novel Items without Proper Sanction Rs. 29,570

7.6.95: The Department was directed to get the expenditure regularized by the Finance Department, within six weeks. The para was kept pending.

3.6.99: The Department explained that the matter was referred to the Finance Department for decision who intimated that the items pointed out by Audit were not novel items except thermos. Accordingly the cost of thermos Rs.135 had been recovered. The PAC directed the Department to move a case for the regularization of the expenditure as directed by the PAC on 7.6.95 and **the para was kept pending.**

9. Para 2.2: Page 27 – Misappropriation Rs.4,872,472

30.5.02: The Committee noted the para as it contained seven cases of misappropriation with reference to the undermentioned paras 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.2.6 and 2.2.7.

10. Para 2.2.1(1 to 6): Page 27 – Fictitious Entries of Receipt Back of Cement Rs.421,926

Audit had observed: “ Cement of the stated value, issued in excess of the actual requirement and misappropriated thereafter, was fictitiously shown as received back and re-issued on the same day to the same official on other water course being constructed under his supervision. The entries were made after a considerable period when the cement lost its normal strength.”

15.3.93: In Audit observation excess issue of cement quantity than the actual requirement was questioned. The Administrative Secretary stated that the left over material was received back and later sent to other sites for use in the adjoining area for watercourses, which fact had been verified by NESPAK engineers and Audit on completion of jobs. He clarified that cement of good condition and quality was only taken back. If it was set then its replacement was taken. However, there was no loss to the Government. The Administrative Secretary assured the Committee that chances of return of excess material would be reduced to minimum by effectively resorting to dimensions/estimate. In view of the fact that Audit and NESPAK had verified the consumption and completion of watercourses, **the paras were settled.**

11. Para 2.2.2: Page 27-28 – Shortage of Construction Material Rs.978,012

Audit had observed: “ Construction material of the stated value was found short with the field team Bahawalnagar as per departmental physical verification report. The recovery of the balance amount of Rs.388,212 needs be expedited.”

15.3.93: Out of the total reported shortage of material of Rs.978,012, consumption of material worth Rs.604,342 was verified by NESPAK Engineer and by Audit. As far as remaining amount of Rs.373,670 was concerned, it had been recovered from the concerned officials and deposited into the Government account and duly verified by Audit. Four delinquent officials were also proceeded against under E & D Rules. One was censured and other three were censured with stoppage of two increments without cumulative effect. Audit having verified the above position, **the para was settled.**

12. Para 2.2.3: Page 28 – Fictitious Entries of Issue and Receipt Back of Cement Rs.180,203

Audit had observed: “ Fictitious entries of issuance and receipt back of cement of the stated value were made by the Water management specialists Ferozwala and Sheikhpura in back dates after the completion of water courses, in order to achieve the benefit of maximum limit fixed by the Department and to avoid recovery.”

15.3.93: Audit having verified the issue/return entries of cement as well as watercourses completion reports by NESPAK, **the para was settled** as no discrepancy or misappropriation had been detected.

13. Para 2.2.4(1 to 5): Page 28-29 – Construction Material Issued but not Accounted for in the Water Course Registers Rs.58,805

Audit had observed: “The construction material of the stated value was shown issued from the main store to different water courses but the same was not accounted for in the water course registers.”

15.3.93: Audit having verified the cement issue/return entries in the main stock register, **all the items of para were settled.**

14. Para 2.2.5(1 to 3): Page 29 – Excess Drawal of Material by Showing Fictitious Width of Floor Rs.60,734

Audit had observed: “The Construction material of the stated value was drawn in excess by showing excess floor width of the Watercourses.”

15.3.93: Audit having concurred with the explanation of the Department in regard to width of the floor, **all items of the para were settled.**

15. Para 2.2.6: Page 30 – Misappropriation of 100 Bags of Cement Rs.9,000

Audit had observed: “There was a closing balance of 3366 bags of Cement on 12.10.1988 in the Main Stock Register of Field Team Toba Tek Singh against E/P No.265/26. Out of which 100 bags of cement were issued for water course No.7705/L but the closing balance was shown as 3166 bags instead of 3266 bags. The water Management Coordinator checked the store physically on 13.10.1988 when no further quantity of cement had been issued and certified the availability of 3166 bags. When the irregularity was pointed out, figure of 100 bags issued vide E.P.266/26 was overwritten as 200 bags. Thus 100 bags were misappropriated.”

15.3.93: Audit having verified the correctness of stock entries, **the para was settled.**

16. Para 2.2.7(1): Page 30 – Surplus Material not Received Back Rs.466,040

Audit had observed: “Material of the stated value was issued in excess of the actual requirement for civil works on water courses. These water courses were finally completed and volume thereof, was also verified by the NESPAK Engineer but the surplus material was neither received back to the main store nor cost thereof, was recovered from the persons concerned.”

15.3.93:

- (1) Surplus 131 bags of cement were included in para 2.2.1(4) which already stood settled supra;
- (2) Recovery deposit of Rs.29,272.50 towards cost of surplus material; and
- (3) Consumption of balance material duly certified by NESPAK.

The para was accordingly settled.

17. Para 2.2.7(2): Page 30 – Surplus Material not Received Back Rs.159,965

15.3.93: Under Para No.14 receipt entry of 40,000 bricks and recovery deposit of Rs.17,477 had since been verified by Audit.

Under Para 19, Audit had verified recovery deposit of Rs. 24,266.60 and accountal of remaining material.

Audit had also verified the consumption of material with reference to completion reports duly certified by NESPAK. **The para was settled accordingly.**

18. Para 2.2.7(3): Page 31 – Surplus Material not Received Back Rs.374,013

15.3.93: Material receipt back entries worth Rs. 306,320.20 and recovery deposit of Rs.22,838.20 had since been verified by Audit.

For the balance recovery of Rs.44,944.80 Mr Muhammad Riaz, Supervisor was held responsible. Under E&D Rules he was removed from service and recovery case was referred to District Collector, Sargodha, for recovery as arrears of land revenue from him. He was an absconder. The Department was directed to vigorously pursue this matter and the para was kept pending.

7.6.95: The para had already been reduced to balance amount of Rs.44,944.80. The Department explained that Mr. M. Riaz, Supervisor was responsible for the shortage of material worth Rs.44,944.80 whose services had been terminated. On appeal the Appellate Authority reinstated him and ordered for denovo inquiry. An Inquiry Committee had been constituted to conduct the inquiry. The PAC directed the Department to complete the inquiry within 2 months. The para was kept pending.

3.6.99: The Department explained that the balance amount of Rs.44,944 had also been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

19. Para 2.2.7(4): Page 31 – Surplus Material not Received Back Rs.382,947

15.3.95: Audit had verified receipt back material entries and consumption valuing Rs. 250,844.62 and Rs.250 and certification of NESPAK engineers in this regard. Audit had also verified the recovery deposit of Rs.24,074 alongwith departmental disciplinary action. With regard to balance recovery of Rs.96,132.90 from the said two officials, the Department had moved the District Collector for recovery as arrears of land revenue. The Committee directed the Department to pursue this matter vigorously and the para was kept pending.

7.6.95: The Department explained that out of the total amount of Rs.382,947 receipt back of material, entries/

consumption thereof worth Rs.251,094 and the recovery of Rs.24,074 had been verified by Audit. It was further stated that over all recovery of Rs.286,710 had been effected and the para had been reduced to Rs.102,280. The Department stated that a denovo inquiry was under progress against the defaulting officials. The Committee directed that the balance amount should be reconciled and the inquiry and recovery be finalized within two months. The para was kept pending.

3.6.99: The Department explained that balance recovery was Rs.90,634 instead of Rs.102,280 and this position had also been verified by Audit. Out of the said amount i.e Rs.90,634 a sum of Rs.39,241 had been recovered and got verified by Audit. The remaining amount of Rs.51,393 was outstanding against Mr. Abdul Zahir, Supervisor who had since been removed from service. Therefore, a case had been referred to D.C. Sargodha for recovery of Rs.51,393 as arrears of land revenue, from where it had been intimated that the culprit had proceeded abroad and no property was in his name. A case had also been lodged against him with the police. The PAC directed the Department to move a case for the write off sanction of Rs.51,393 and **kept the para pending** for the said write off sanction of Rs.51,393.

20. Para 2.2.7(5): Page 31 – Surplus Material not Received Back Rs.581,109

15.3.93: Audit having verified consumption of material to the tune of Rs.402,454 and recovery deposit of Rs. 178,654.50 besides disciplinary action against two officials Mr Safdar Ali and Mr Altaf Ahmad Bhuttar, **the para was settled.**

21. Para 2.2.7(6): Page 31 – Surplus Material not Received Back Rs.242,610

15.3.93: Audit having verified the total recovery/record, **the para was settled.**

22. Para 2.2.7(7): Page 31 – Surplus Material not Received Back Rs.466,836

15.3.93: Audit had verified the receipt back of material valuing Rs.358,427.65 and recovery/deposit from WUA amounting to Rs.92,542.52. For the balance amount of Rs.15,865.90 the case was pending with the Finance Department for write off as the material had been damaged during floods. The para was kept pending for recovery/write off.

7.6.95: The Department explained that material worth Rs.5,180 had been collected leaving a balance of Rs. 10,678. A case for write-off sanction was referred to the Finance Department. The representative of the Finance Department informed that this write-off was within the competence of the Administrative Department. The para was kept pending for verification of material recovered and write off of the balance amount.

3.6.99: The Department explained that write off sanction of Rs.10,678 had since been accorded by the Competent Authority and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

23. Para 2.2.7(8): Page 31 – Surplus Material not Received Back Rs.215,875

15.3.93: Since the case of write off of Rs.18,599.35 was pending with the Finance Department, the para was kept pending.

7.6.95: The Department explained that case regarding sanction to write off the remaining loss of Rs.18,599 had been submitted to the Finance Department but in the meantime, further material amounting to Rs.8,200 had been recovered leaving a net balance of Rs.10,399. The Finance Department had advised the Department that it was

within the jurisdiction of the departmental Authority to write-off the amount. The Para was kept pending for verification of the recovery and write-off of the balance amount, within one month.

3.6.99: The Department explained that write off sanction of loss of Rs.10,398 had since been accorded by the Competent Authority and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

24. Para 2.2.7(9): Page 31 – Surplus Material not Received Back Rs.132,649

15.3.93: Audit had verified the consumption of material valuing Rs.129,679.40 and recovery deposit of Rs.2,970 besides disciplinary action against Mr Muhammad Afzal Malik and Mr Ghulam Dastgir. **The para was accordingly settled.**

25. Para 2.2.7(10): Page 31 – Surplus Material not Received Back Rs.141,748

15.3.93: Consumption of material and recovery amounting to Rs.121,267.25 and Rs.20,480.75 respectively had already been verified by DAC on 4.3.1990, but Audit had re-verified the record. **The para was accordingly settled.**

26. Para 2.4: Page 31 – Non-Accountal Rs.3,078,327

30.5.02: The Committee noted the para as it contained summary of one case of non-accountal with reference to the undermentioned para 2.4.1.

27. Para 2.4.1(1): Page 32 – Material Shown Issued but not Utilized in the Civil Works Rs.1,617,587

Audit had observed: “The construction material of the stated value was issued for the construction of the water courses during the year 1984-85 onwards. Neither the work was physically got checked from the supervisory consultants and completion reports thereof produced to Audit nor any further material was issued thereon which is indicative of the fact that material was not utilized on watercourses and issue entries were made only to conceal the facts.”

15.3.93: Audit having verified the recovery of Rs.14,722.15 and consumption of material valuing Rs.1,602,864.85, **the para was settled.**

28. Para 2.4.1(2): Page 32 – Material Shown Issued but not Utilized in the Civil Works Rs.1,439,236

15.3.93: The para was kept pending for the balance recovery of Rs.54,319.

7.6.95: The Department explained that out of the balance amount of Rs.54,319, an amount of Rs.14,502 had been recovered and verified by Audit and denovo inquiry was also underway against the defaulting official. The para might be reduced to the extent of Rs.39,817. The Committee reduced the para to Rs. 39,817 and kept it pending for recovery and completion of inquiry within one month.

3.6.99: The Department apprised the PAC that the balance amount of Rs.39,817 had since been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

29. Para 2.4.1(3): Page 32 – Material Shown Issued but not Utilized in the Civil Works Rs.21,504

15.3.93: Audit having verified material stock entries for Rs.3,532.50 and recovery deposit of Rs.17,971.80

besides disciplinary action against Mr Shamshad Ahmad, Supervisor, **the para was settled.**

30. Para 2.5: Page 32 – Negligence Rs.383,243

30.5.02: The Committee noted the para as it contained summary of two cases of negligence with reference to the undermentioned paras 2.5.1 and 2.5.2.

31. Para 2.5.1(1 to 3): Page 32 – Overpayment on Purchase of Bricks Rs.235,219

Audit had observed: “The rates for the purchase of bricks for utilization on different water courses were approved by the purchase committee and bricks were purchased on the approved rates. Subsequently the rates were re-invited for the same water courses and higher rates were approved again by the same committee.”

15.3.93: Audit having verified that the Department had made no deviation from rules or procedure, **the paras were settled.**

32. Para 2.5.2: Page 33 -Excess Expenditure due to Defective Designing of Water Courses Rs.148,024

Audit had observed: “Loss as stated was sustained to Government due to defective designing of the watercourses. According to the standing instructions, the depth of the water courses was to be designed keeping in view the maximum F.S.L plus 10 to 15 centimeter for free board and Bandwar of 12 centimeter at the top of both the walls but contrary to the above instructions, the designs were prepared and approved without Bandwar and of excessive depth than admissible, resulting in excess expenditure, as stated.”

15.3.93: Audit had verified that excess expenditure was due to variation in the full supply level in the watercourses and not due to defective design which stood approved by NESPAK. Hence **the para was settled.**

33. Para 2.8: Page 33 – Recovery Outstanding Rs.20,460,641

30.5.02: The Committee noted the para as it contained summary of four cases of outstanding recovery with reference to the undermentioned paras 2.8.1, 2.8.2, 2.8.3 and 2.8.4.

34. Para 2.8.1(1 to 6): Page 33-34 – Non-realization of Percentage Recovery from the Water Users Rs.19,383,469

Audit had observed: “Percentage/share of the amount incurred on the renovation of watercourses upto 30.6.1989 was less recovered from the Water Users Associations to the stated extent.”

15.3.93: The para was kept pending for balance recovery. The Committee directed that Deputy Commissioner Toba Tek Singh should report the progress of recovery in the next meeting.

7.6.95: (1) W.M.C. Faisalabad

The Additional Deputy Commissioner T.T. Singh attended the meeting. He informed the Committee that recovery had since been finalized. **The para was settled.**

In view of the position explained by the Department the para Nos:-
2.8.1(2), 2.8.1(3), 2.8.1(4), 2.8.1(5) and 2.8.1(6) **were also settled.**

35. Para 2.8.2: Page 34 – Non-deposit of Membership Fee and Capital Share Rs.70,320

Audit had observed: “Membership Fee and Capital Share to the stated extent was less/not deposited in the proper head of Account.”

15.3.93: Entire amount of capital share/membership fee had since been recovered and deposited into the Account of WUA and verified by Audit, **the para was settled.**

36. Para 2.8.3(1): Page 35 – Non-recovery of Hiring Charges of Agriculture Machinery Rs.28,042

Audit had observed: “Agriculture Machinery like soil scrapers, Land Planners, Border Discs, Ditchers and chisel plough were issued to the farmers through the officials/officers but stated amount on account of hiring charges were either not recovered or, if recovered not deposited into Government Treasury.”

15.3.93: Recovery of Rs.1,660 and explanation of the Department had been verified by Audit, hence **the para was settled.**

37. Para 2.8.3(2): Page 35 – Non-recovery of Hiring Charges of Agriculture Machinery Rs.8,133

15.3.93: This being repetition of para 2.8.3(1), the Committee directed to delete it from here. **The para was thus settled.**

38. Para 2.8.4(1): Page 35 – Surplus Material of Previous Years not Received Back Rs.130,335

Audit had observed: “The surplus material after the finalization of civil work on the water courses during the period 1985-86 to 1987-88 was not received back upto 8/89 which indicates that the material was not physically available at the site.”

15.3.93: Audit having verified receipt back entries of material worth Rs.31,201 and recovery deposit of Rs.99,134.50 besides disciplinary action against Mr Saeed Ahmad, Supervisor, **the para was settled.**

39. Para 2.8.4.(2): Page 35 – Surplus Material of Previous Years not Received Back Rs.134,229 & Rs.3,333

15.3.93: This being repetition of draft para No.2.2.7, the Committee directed to delete it from here. **The para was thus settled.**

40. Para 2.8.4(3): Page 35 – Surplus Material of Previous Years not Received Back Rs.411,390

15.3.93: Accountal of cost of unconsumed construction material valuing Rs. 411,390 had since been verified by Audit and **the para was accordingly settled.**

41. Para 2.8.4(4): Page 35 – Surplus Material of Previous Years not Received Back Rs.242,610

15.3.93: This being repetition of draft para No.2.2.7(6) of 1988-89, the Committee directed to delete it from here. **The para was thus settled.**

42. Para 2.8.4(5): Page 35 – Surplus Material of Previous Years not Received Back Rs.48,780

15.3.93: Consumption and return of material stock entries had since been verified by Audit, **the para was settled.**

43. Para 2.10: Page 36 – Record Non-production Rs.31,994,859

30.5.02: The Committee noted the para as it contained summary of one case of non-production of record with reference to the undermentioned para 2.10.1.

44. Para 2.10.1(1): Page 36 – Completion Reports not Produced to NESPAK/Audit Rs.13,814,426

Audit had observed: “Construction material of the stated value was issued for civil works on water courses during 1986-87 to 1988-89. Neither the work was physically checked by the supervisory Consultants nor completion reports were produced to Audit.”

15.3.93: Consumption and return of material stock entries had since been verified by Audit, **the para was settled.**

The Committee directed that NESPAK may also be called in the next meeting to explain their problems for dealing with the Water Management.

45. Para 2.10.1(2): Page 36 – Completion Reports not Produced to NESPAK/Audit Rs.3,462,027

15.3.93: Repetition of material valuing Rs.99,437 already included in para 2.4.1(2), consumption and return of material worth Rs.209,311.45, and recovery of Rs.37,278.95 had since been verified by Audit, **the para was settled.**

46. Para 2.10.1(3): Page 36 – Completion Reports not Produced to NESPAK/Audit Rs.5,389,080

15.3.93: The material pointed out short had, in fact, tallied with the completion report except Rs.3,198.60 which was recovered and deposited into Government PLA account. This position had since been verified by Audit, **the para was settled.**

47. Para 2.10.1(4): Page 36 – Completion Reports not Produced to NESPAK/Audit Rs.3,405,401

15.3.93: This being a repetition of draft para No.2.2.2(4), hence the Committee directed to delete it from here. **The para thus stood settled.**

48. Para 2.10.1.(5): Page 36 – Completion Reports not Produced to NESPAK/Audit Rs.3,830,686

15.3.93: Consumption of material was tallied with completion reports and no discrepancy was noted. Audit had verified this position and **the para was settled.**

49. Para 2.10.1(6): Page 36 – Completion Reports not Produced to NESPAK/Audit Rs.2,093,239

15.3.93: Consumption of material had since been verified by Audit except Rs.6,344 which was deposited into Government account. This position had been verified by Audit and **the para was settled.**

Annexure Paras

50. Para 1(1)(1981-82): Page 202 – Serial 1, Misappropriation/Embezzlement of Rs.231,335

7.6.95: i) Rs.231,335

The Department explained that all the amount had been recovered and verified by Audit except an amount of Rs.8,867 for which the accused had been declared an absconder by the Court. A write off case of Rs.8,867 was being moved to the Finance Department. **This part was settled subject to verification** of recovery and write-off of the balance amounts.

ii) Rs.69,776

The balance amount of Rs.1,741.79 had also been recovered. **This part was settled.**

iii) Rs.23,309

The balance recovery of Rs.2,533 had been made. **This part was settled.**

iv) Rs.30,061

A criminal case had also been got registered against the accused vide FIR No. 10/94 of 18-1-1994, P.S. Noshera Virkan. This part was kept pending for pursuing the recovery and the criminal case.

3.6.99: The Department apprised the PAC that this para had also been included in the annexure of Audit Report for the year 1989-90 and this para had been discussed on 7.4.1999. Therefore, to avoid this duplication the para may be deleted from here and it may be discussed in the Audit Report for the year 1989-90. The Audit also confirmed the position explained by the Department. The PAC accepted the explanation and directed that this para may be deleted from here and may be discussed in the Audit Report for the year 1989-90. **The para was kept pending.**

51. Para 2(i)(1981-82): Page 202 – Serial 2, Outstanding Recoveries of Rs.485,506

7.6.95: The para had already been settled by the PAC on 16-3-1992.

52. Para 2(ii)(1981-82): Page 202 – Serial 3, Outstanding Recoveries of Rs.150,849

7.6.95: The para had already been settled by the PAC on 19-11-1989.

53. Para 2(1980/81): Page 202 – Serial 4, Misappropriation of Rs.595,554

7.6.95: The para had already been settled by PAC on 16-3-1992.

54. Para 3(ii)(1980-81): Page 202 – Serial 5, Shortage of Pesticides Rs.50,630, 67,560 and Rs.18,816.34

7.6.95: The para had already been settled by PAC on 14-2-1995.

55. Para 3 (iii)(1980-81): Page 202 – Serial 6, Shortage of Pesticides Rs.26,701

7.6.95: The para had already been settled by PAC on 14-2-1995.

56. Para 2(1979-80): Page 202 – Serial 7, Embezzlement of Rs.206,966

7.6.95: The Department explained that the Finance Department had sanctioned write-off of the loss of Rs.221,000, which included the amount of Rs.206,966 of this para. Subject to verification of write off sanctioned

by Audit, the para was settled. The requirement might be complied with immediately.

3.6.99: The Department apprised the PAC that this para had also been included in the annexure of Audit Report for the year 1989-90. Where this para had been discussed on 7.4.1999. Therefore, to avoid this duplication, the para may be deleted from here and it may be discussed in the Audit Report for the year 1989-90. The Audit also confirmed the position explained by the Department. The PAC accepted the explanation and directed that this para may be deleted from here and it may be discussed in the Audit Report for the year 1989-90. **The para was kept pending.**

57. Para 1(i)(1983-84): Page 203 – Serial 8, Shortage of Store/Non-remittance of Sale Proceeds Rs 272,910.80

7.6.95: The para had already been settled by PAC on 5-4-1988.

58. Para 1(ii)(1983-84): Page 203 – Serial 8, Shortage of Store/Non-remittance of Sale Proceeds Rs.66,828.48

7.6.95: The para had already been settled by PAC in its meeting dated 14.2.1995.

59. Para 1(iii)(1983-84): Page 203 – Serial 8, Shortage of Store/Non-remittance of Sale Proceeds Rs.7,453.80

7.6.95: The para had already been settled by PAC in its meeting dated 14-2-1995.

60. Para 1(iv)(1983-84): Page 203 – Serial 8, Shortage of Store/Non-remittance of Sale Proceeds Rs.411,694

7.6.95: The Committee was informed that a summary had been submitted to the Chief Minister, Punjab and his orders were awaited. The para was kept pending till decision of the Chief Minister, on the summary put up by the Department.

3.6.99: The Department apprised the PAC that this para had also been included in the annexure of Audit Report for the year 1989-90 and this para had been discussed on 7.4.1999. Therefore, to avoid this duplication, the para may be deleted from here and it may be discussed in the Audit Report for the year 1989-90. Audit also confirmed the position explained by the Department. The PAC accepted the explanation and directed that this para may be deleted from here and it may be discussed in the Audit Report for the year 1989-90. **The para was kept pending.**

61. Para 1(v, vi, vii and viii)(1983-84): Page 203 – Serial 8, Shortage of Store/Non-remittance of Sale Proceeds Rs.55,774 & Rs.13,614

7.6.95: These paras had already been settled by the PAC in its meeting dated 14-2-1995.

62. Para 6(2)(1983-84): Page 203 – Serial 9, Outstanding Recoveries of Rs.10,200,423

7.6.95: The Department explained that out of the balance amount of Rs.226,911, recovery of Rs.132,958 (Rs.39,296.27 + Rs.66,521.74 + Rs.27,140.84) had been effected and the para had been reduced to Rs.94,007. The Committee directed the Department that recovery so far effected may be got verified by Audit and cases in court should be pursued vigorously for early finalization of the same. The para was kept pending.

3.6.99: The Department apprised the PAC that this para had also been included in the annexure of Audit Report for the year 1989-90. Where this para had been discussed on 7.4.1999. Therefore, to avoid this duplication, the para may be deleted from here and it may be discussed in the Audit Report for the year 1989-90. The Audit

also confirmed the position explained by the Department. The PAC accepted the explanation and directed that this para may be deleted from here and it may be discussed in the Audit Report for the year 1989-90. **The para was kept pending.**

63. Para 9(1983-84): Page 203 – Serial 10, Unnecessary Procurement of Pesticides Rs.6,500,000

7.6.95: The para had already been settled by the PAC in its meeting held on 14-2-1995.

(Commercial Audit)

64. Para 3(i, ii, iii, iv, v, vi, vii, and xviii): Page 5 – Non-Compilation of Accounts

29.1.96: As compilation of accounts had been verified by Audit, **the para was settled.**

Agricultural Engineering Workshop Gujranwala

65. Para 7: Page 15 – Loss of Rs.141,384 due to Damage of a Bulldozer

Audit had observed: “In Agricultural Engineering Workshop, Gujranwala a bulldozer was lying out of operation at Sialkot sub-workshop since 17.12.78. It was damaged when water entered its engine while working in Shakargarh unit resulting in a loss of Rs.141,384, being the book value of the machine on 31.12.1983 i.e. on the date of Audit.... Audit would, therefore, suggest that:-

- i) Individual responsibility may be fixed for premature condemnation of the bulldozer and change of engine without any authority;
- ii) The loss may be made good; and
- iii) Remedial measures may be adopted to avoid the recurrence of such cases in future.”

29.1.96: After verification of record, Audit pointed out that the Department suffered a loss of Rs.95,884 by the auction of machine No. F-156. The Committee directed that loss should be got regularized by the Competent Authority. **The para was kept pending.**

Agricultural Engineering Division Lahore

66. Para 8: Page 16 – Loss of Revenue Amounting to Rs.0.552 Million due to Idleness of Bulldozer and Non-recovery of Rs.5,000 on Account of Spare Parts

Audit had observed: “In Agricultural Engineering division, Lahore a bulldozer became out of order in the field on 31 July 1979. After remaining unattended for a period of about 5 years, it was brought to workshop for repair on 16 April 1984 and spare parts valuing Rs.11,338 were found short.... Audit would suggest to:-

- i) make thorough investigation with a view to find out the reasons for which bulldozers remained un-attended in the field for a period of 5 years;
- ii) to dispose of the machine after detailed investigation regarding inherent defects and un-economical repairs leading to the loss of revenue;
- iii) making recovery of the shortages from the persons responsible for the same at the earliest.”

29.1.96: The Committee was informed that a loss of Rs.5000 occurred due to idleness of bulldozer. The Audit's contention was that the bulldozer remained inactive for five years. The Department explained that the bulldozer remained inactive due to major break-down and its vital parts were not available. Therefore, after approval of the Chief Minister, it was auctioned. The explanation of the Department was accepted and **the para was settled.**

Agricultural Engineering Workshop Bahawalpur

67. Para 9: Page 17 – Wasteful Expenditure of Rs.145,190 on the Overhauling of 3 Fiat Bulldozers

Audit had observed: “The Management of Agricultural Engineering Workshop Bahawalpur, incurred an expenditure of Rs.145,190 on the overhauling of three bulldozers. The bulldozer No.F-24 was brought into the workshop on 28.1.1982 but was overhauled after a period of five years i.e. on 13.5.1987 by incurring an expenditure of Rs.86,927. The bulldozer, however, worked only for ten hours after repairs and could earn only Rs.1000 (@ Rs.100 per hour) before going out of order. It was again brought back to the workshop on 16.5.87.

Similarly the machines No.F-25 and F-26 were brought into the workshop on 22.5.1985 and 23.4.1986 after incurring expenditure of Rs.35,500 and Rs.22,763. The same were put into operation on 1.9.1986 and 8.1.1987 respectively, but again went out of order on 24.1.1987 and 9.1.1987 after working for 21 and 11 hours respectively. Thus these two bulldozers could earn only Rs.2,100 and Rs.1100. When pointed out by Audit the Department in its reply of April 1988 and February 1989 attributed the delays in overhauling/repair of machine due to non availability of spare parts and paucity of funds. The poor performance of machines after repair was attributed to inherent defects in this particular make.... Audit would suggest that the matter may be investigated with a view to fix responsibility for purchasing machines having inherent defects and then incurring wasteful expenditure on their uneconomical repairs. The delay in repairs of machine need also to be looked into for remedial measures.”

29.1.96: The Committee was informed that a denovo inquiry had been ordered by the Administrative Secretary for fixing responsibility against the defaulters. The Committee directed the Department to complete inquiry/action expeditiously. **The para was kept pending.**

Agricultural Engineering Workshop Rawalpindi

68. Para 10: Page 17-18 – Extra Expenditure of Rs.195,908 by Fitting of New Dozer Engine

Audit had observed: “In Agricultural Engineering Workshop, Rawalpindi the field mechanic of Jhelum workshop reported in March 1986 that crank shaft of dozer No.KD-97 was found broken. A Crank shaft was available in workshop store for replacing the defective shaft. But instead of replacing the defective crank shaft by fitting a new one valuing Rs.22,486, the machine was fitted with a new Komatsu dozer KD-97 complete engine costing Rs.218,394 in April 1986 resulting in an extra expenditure of Rs.195,908. Resultantly the dozer worked 1664 hours in 1984-85 and 1087 hours in 1985-86 against 1800 working hours fixed for one ear. Therefore, the breakage of the crank shaft was mainly due to its negligent operation and maintenance.... Audit would suggest to fix responsibility:-

- i) for extra expenditure of Rs.195,908 by fitting complete new engine instead of replacement of broken crank shaft of the dozer; and
- ii) for damage to the crank shaft when the dozer worked for 1664 hours in 1984-85 against 1800

hours fixed for one year.”

29.1.96: Audit informed the Committee that they had verified that a new engine, which was available in the store, had been fitted in KD-97 and also the old engine replaced from KD-97 was overhauled and fitted in KD-77. **The para was settled.**

Punjab Agricultural Development and Supplies Corporation Multan

69. Para 11: Page 19 – Loss of Rs.667,800 on Account of Theft of 1060 Litres of Pesticides

Audit had observed: “In PAD&SC, Multan Bulk Depot no.I, 1060 litres of sumiciden Pesticides valuing Rs.667,800 @ Rs.630 per litre were stolen between the night of 20 and 21 March 1986 while the security staff were on duty. A case was registered with the Police on 23 March 1986 after a delay of 2 days but no departmental enquiry was conducted by the Management.... Audit would suggest to:-

- i) explain the abnormal delay in execution of departmental enquiry;
- ii) take action against the persons responsible for lax security;
- iii) take remedial measures to avoid recurrence of such incidents in future; and
- iv) regularize the loss.”

23.1.95: The Department explained that the theft had been declared untraceable by the police. However, in the departmental action for negligence in duty resulting in the theft, two Chowkidars had been censured and one Chowkidar had been warned. The Committee observed that the supervisory officers/staff could not be absolved of the responsibility of safeguarding the interests of the organization. The Committee directed that fresh inquiry may be held wherein the supervisory officers/staff should also be included and the inquiry be finalized within two months. The para was kept pending.

20.3.95: The Department stated that action in compliance of Public Accounts Committee directives dated 23-1-1995 was in progress. The Committee directed that action should positively be completed and submitted in the next meeting. The compliance report should also be supplied to Public Accounts Committee along with Audit. The para was kept pending.

27.12.95: The PAC in its meeting held on 23-1-1995 had directed that fresh inquiry should be held against the supervisory officer/staff and finalized within two months but action had not been completed by the Management as per directive. The Management explained that the first inquiry had been scraped by the Authority and another inquiry had been ordered but the accused officer had raised a technical hitch that a copy of the previous inquiry should be provided to him for which the Services & General Administration Department had been requested to give advice whether the said copy could be supplied to the accused or not. The Committee opined that the provision of the copy was not such important as to cause inordinate delay of one year. The Management assured the Committee to finalize the matter within fifteen days. **The para was kept pending.**

70. Para 12: Page 20 – Non-recovery of Credit Sale of Pesticides Valuing Rs.4.925 Million

Audit had observed: “PAD & SC allowed its District Managers to make credit sales, on their own responsibility, of pesticides to the farmers, growers and dealers during the years 1985-86 and 1986-87 but were asked to make recovery of all sale proceeds before 30 June 1987. Contrary to the instructions of PAD& SC Head office, the amount of Rs.4.925 million on account of credit sales during the year 1985-86 and 1986-87 was recoverable in the books of district office, Jhang on 25.7.1987. Included therein is the amount of Rs.198,700 relating to the year 1985-86.... Audit would suggest that the matter may be investigated with a view to make recovery of huge outstanding amount of credit sale and initiate effective measures to avoid the accumulation of outstandings.”

23.1.95: The Department explained that so far as recovery from the defaulters was concerned an amount of Rs.1.249 million had been recovered. As far as action against the officers granting credit sale was concerned, 31 officers were found responsible. It was decided to lodge criminal cases against them. However, they went into the High Court and stay order was issued. The Committee directed that the record of recovery stated to have been made may be got verified within a month. If the balance recovery was not possible from the defaulters, it should be made from the officers responsible for the credit sale, if the recovery from them had not been stayed by the Court. The para was kept pending.

20.3.95: The Department stated that action in compliance of Public Accounts Committee directives dated 23-1-1995 was in progress. The Committee directed that action should positively be completed and submitted in the next meeting. The compliance report should also be supplied to Public Accounts Committee along with Audit. The para was kept pending.

27.12.95: The Committee observed that extreme negligence had been shown towards the implementation of its previous two directives. It was directed that recovery of Rs.15 lac from the District Manager Jhang should be got verified by Audit and efforts for recovery of the balance should be made. FIRs against the defaulter should be lodged within two weeks. It was further directed that recovery from the 27 defaulters should be effected by deducting the amount, as per rules, from their salaries and from the gratuity of those who were retiring. Undertakings from all the defaulters should be obtained in writing. **The para was kept pending.**

71. Para 13: Page 20-21 – Shortage of Fertilizer Worth Rs.191,564

Audit had observed: “A unit of Punjab Agricultural Development and Supplies Corporation sustained a loss of 1337 bags valuing Rs.135,195 as result of rebagging of various imported fertilizer during 1983-84. Similarly another unit of PAD&SC sustained a loss of 19304.500 Kgs valuing Rs.56,369 as result of receipt of Bags of less weight containing various imported DAP fertilizer during the year 1986-87. In spite of the fact that a draft para of similar nature already stood printed in the compilation of Commercial Accounts for the year 1982-83, the Management has not recovered the loss either from F.D.F.I. by whom under weight bags were supplied or from the persons at fault in PAD&SC.... Audit would suggest to:-

- i) carry out proper investigation for early recovery of the amount from the F.D.F.I./persons responsible; and
- ii) Adopt remedial measures in future.”

23.1.95: The Public Accounts Committee directed the Department that the loss be regularized from the Board within two months. The para was kept pending.

20.3.95: The Department stated that action in compliance of Public Accounts Committee directives dated 23-1-1995 was in progress. The Committee directed that action should positively be completed and submitted in the next meeting. The compliance report should also be supplied to Public Accounts Committee along with Audit. The para was kept pending.

27.12.95: The Committee directed that as per recommendation of the Sub-Committee the loss of Rs.110,902 should be got written off by the Competent Authority and the loss of Rs.1,280 should also be included in the loss to be written off as the Manager, in whose tenure the loss occurred, had since expired. Subject to verification by Audit, **the para was settled.**

72. Para 14: Page 21-22 – Loss of Rs.1,320,934 on Account of Expiry of Validity Date of Pesticides

Audit had observed: “In various units of Punjab Agricultural development and Supplies Corporation, different varieties of pesticides valuing Rs.1,320,934 were purchased for sale to farmers during 1985-87. The same could however, not be disposed of within their validity dates. As a result the pesticides lost their effectiveness due to prolonged storage and the Corporation had to sustain a loss of the said value. The loss is attributable to unplanned purchase, defective inventory management and improper and ineffective sale policy.... Audit would suggest that:-

- i) Purchase of pesticides for onward sales to farmers should be made on the basis of demonstrated demand;
- ii) Recurrence of such losses each year should be investigated with a view to identify and remove any shortcomings in sales; and
- iii) Action should be taken against officials responsible for the loss.”

23.1.95: The Department explained that stock worth Rs.417,617.83 had been sold. The Committee directed that the sale proceeds may be got verified by Audit. Moreover an inquiry may be held in the matter as to why pesticides in such a large quantity was purchased when these were not required and on whose initiative these were acquired. Full facts should be explained in the next meeting. The para was kept pending.

20.3.95: The Department stated that action in compliance of Public Accounts Committee directives dated 23-1-1995 was in progress. The Committee directed that action should positively be completed and submitted in the next meeting. The compliance report should also be supplied to Public Accounts Committee along with Audit. The para was kept pending.

27.12.95: The Committee in its meeting, held on 23-1-1995, had directed that inquiry should be held in the matter as to why pesticides in such large quantities were purchased when the same were not required and on whose initiative these pesticides were acquired. The Management explained that the Ex-MD, Dr. Ghulam Hassan Chaudhri, had made this procurement single-handedly but he had already expired. Subject to the disposal of the expired pesticides, worth Rs.493,822 and its verification by Audit, **the para was settled.**

73. Para 15: Page 22-23 – Unnecessary Retention of Unusable Machinery Worth Rs.780,875 Involving Financial Charges of Rs.113,154 per Annum

Audit had observed: “The Punjab Agricultural Development and supplies Corporation purchased Seed Laboratory equipment worth Rs.780,875 during 1973-74 to 1975-76 which became useless as the function pertaining to seed was entrusted to the Punjab Seed Corporation w.e.f. April 1980. The equipment was neither transferred to the Punjab Seed Corporation nor sold out. The retention of this equipment by the PAD&SC caused

wastage and blockage of borrowed funds involving financial charges of Rs.113,154 annually @ 14.1/2 per annum and thus the Corporation sustained loss on this account.... Audit would suggest to:-

- i) Investigate as to why the equipment was not transferred or sold out at the time of transferring the function to seed Corporation;
- ii) Fix responsibility for the delay of 8 years in disposal of the equipment; and
- iii) fix responsibility for non-utilization of Seed Laboratory and its equipment as also the expenses incurred on the staff and maintenance of the equipment including their breakage, wastage & depreciation during the above period for making good the loss from the persons at fault.”

23.1.95: The Department explained that unusable machinery worth Rs.377,000 had been disposed of and the remaining machinery would also be disposed of according to the prescribed procedure. The Public Accounts Committee directed that a detailed report about the latest position of the case may be submitted in the next meeting. Moreover, the responsibility for not transferring the machinery for use to other organizations at proper time may also be fixed. The para was kept pending.

20.3.95: The Department stated that action in compliance of Public Accounts Committee directives dated 23-1-1995 was in progress. The Committee directed that action should positively be completed and submitted in the next meeting. The compliance report should also be supplied to Public Accounts Committee alongwith Audit. The para was kept pending.

27.12.95: The Committee was informed that all the machinery had been shifted to the Seed Corporation. Subject to verification by Audit, **the para was settled.**

74. Para 16: Page 23-24 – Loss of Rs.2.159 Million on the Sale of Wheat Seed

Audit had observed: “Punjab Agricultural Development Supplies Corporation purchased various varieties of indigenous Wheat seed from Punjab seed Corporation during the year 1985-86 and 1986-87 for onward sale to farmers. There were 36,683 bags of seed valuing Rs.8.889 million in excess of requirements, which were sold out/auctioned for Rs.6.730 million, at a lower rate, resulting in net loss of Rs.2.159 million. The loss was attributable to the improper procurement policy which did not keep in view the demand of the farmers and also due to poor marketing of the wheat seed by the corporation.... Audit would suggest to:-

- i) investigate the loss with a view to make recovery of the loss by fixing responsibility; and
- ii) adopt remedial measures by framing a realistic procurement policy, in accordance with the demand and to avoid recurrence of such losses in future.”

23.1.95: The Administrative Department explained that Punjab Agricultural Development & Supplies Corporation was an agent of the Seed Corporation who had accepted 50% of the losses. The Committee directed that responsibility should be fixed for surplus purchase of seed and recovery be made accordingly. The para was kept pending.

20.3.95: The Department stated that action in compliance of Public Accounts Committee directives dated 23-1-

1995 was in progress. The Committee directed that action should positively be completed and submitted in the next meeting. The compliance report should also be supplied to Public Accounts Committee along with Audit. The para was kept pending.

27.12.95: The para was kept pending for fixation of responsibility for surplus purchase of seed as per its previous directives dated 23-1-95 & 20-3-95, within two months.

75. Para 17: Page 24 – Rebagging Loss of Rs.1.462 Million

Audit had observed: “The books of PAD & SC Head Office disclosed that the rebagging losses amounting to Rs.1.462 million of fertilizers of different varieties had occurred during the year 1981-82 to 1982-83 which were awaiting regularization by the Competent Authority.... Audit would suggest to investigate losses with a view to fix individual responsibility and regularization.”

23.1.95: The Committee directed that the matter may be properly investigated and responsibility for losses be fixed and the loss may either be recovered accordingly or it may be got written off by the Board. The para was kept pending.

20.3.95: The Department stated that action in compliance of Public Accounts Committee directives dated 23-1-1995 was in progress. The Committee directed that action should positively be completed and submitted in the next meeting. The compliance report should also be supplied to Public Accounts Committee along with Audit. The para was kept pending.

27.12.95: The para was kept pending for compliance of previous PAC directives dated 23-1-95, within one month.

76. Para 18: Page 25-26 – Non-disposal of Pesticides Valuing Rs.432,816

Audit had observed: “In district office, Faisalabad of PAD & SC 18 items of different pesticides valuing Rs.232,816 were lying unused/unsold at 30 June 1987 since the year 1983. Huge quantity of the following pesticides/fungicides were also lying in the district office unsold/unused since the year 1974-75:-

<u>Name of Pesticide</u>	<u>Quantity</u>
1. Beniate	4 drums
2. Vita vax	200 ltr.
3. B.H.C.	340 Kg.
4. Malathion	1430 Kg.
5. Detia Gas	51 Tablets

....Audit would suggest that the stocks may be disposed of and resultant loss recovered by fixing responsibility or regularized with the sanction of the Competent Authority.”

20.3.95: The case relating to the cytozyme stocks valuing Rs.232,096 was subjudice.

The case regarding Pesticides Casting Rs.2 Lacs

The Department explained that stock to the extent of Rs.10,914 had been consumed and for the remaining amount the write off sanction by the Competent Authority was being sought. The explanation of the Department was accepted and this portion of para was settled. The portion of the para relating to amount of Rs.232,096 being subjudice was kept pending till the final decision by the Court.

27.12.95: The Committee was informed that both the cases pertaining to Cytozyme, valuing Rs.232,816, were subjudice in civil court and the next date of hearing was 28-1-96. **The para was kept pending.**

77. Para 19: Page 26 – Loss of Rs.244,720 due to Shortage of Fertilizer in Standardization of Unstandarded Bags

Audit had observed: “On 22 January 1984 the Manager PAD & SC Khanewal standardized 330,600 bags of DAP fertilizer and declared 1840 bags valuing Rs.244,720 as short. The shortage was stated to have occurred due to rebagging of unstandard bags received from the Director, Port, Karachi during the period from 1.7.1982 to 30.6.1983 inspite of the fact that the fertilizer was despatched in standard bags from Karachi Audit would suggest to investigate the matter with a view to fix individual responsibility for making good the loss.”

20.3.95: The Department explained that the loss statements having been completed by the Sub Committee would be placed before C.F.A. for write off. The Public Accounts Committee directed that the said Committee must also investigate who was responsible for delay in taking action. The officers who received the letters from Audit and did not take action should be called in the next meeting. The Managing Director would inquire and give names of such officers to Chairman, PAC-II. The Committee allowed 3 months to complete action on this para.

27.12.95: The Managing Director assured the Committee that the matter would be taken up in the Board meeting scheduled to be held in the first week of January 1996. The Committee directed that inquiry to ascertain whether it was a case of write off or embezzlement should be completed within two months. **The para was kept pending.**

78. Para 20: Page 26-27 – Non-recovery of Advances of Rs.22,328 from the Employees

Audit had observed: “In PAD & SC head Office, Lahore advances on account of pay, TA/DA, House Building and Motor cycle aggregating to Rs.22,328 were outstanding against various employees since the year ranging from 1975 to 1985. Most of the employees against whom advances were outstanding were stated to have left the service of the Corporation and the chances of the recovery at this belated stage were remote.... Audit would suggest to investigate into:-

- i) the matter with a view to make recovery of the advances either from the concerned employees or from the official responsible for not making timely recovery of the advances; and
- ii) to take appropriate measures for non recurrence of such losses in future.”

20.3.95: The para was settled subject to verification of recovery of the balance amount on its write off.

27.12.95: The Committee was informed that the balance amount of advances was recoverable from five officers/officials who had either been dismissed from service, retired or expired. Subject to the sanction of write off by the Competent Authority and its verification by Audit, **the para was settled.**

79. Para 21: Page 27-28 – Loss of Rs.38,944 due to Non-deduction of Income Tax

Audit had observed: “6960 bags of indigenous Wheat Seeds were auctioned for Rs.1,298,123 by PAD&SC

District office Rahim Yar khan but Income Tax @ 3% of sale price amounting to Rs.38,944 was not deducted from the parties concerned which was in violation of the Income Tax ordinance, 1979 section 50 Audit would suggest that:-

- i) amount of Rs.38,944 may be deposited into the Government Treasury by making recovery from the officials at fault; and
- ii) the Government rules be followed strictly and necessary instructions may be issued by PAD & SC to all District offices to avoid such recurrences in future.”

20.3.95: The Public Accounts Committee approved the decision of the Administrative Department that the amount should be recovered from the D.D.O. responsible for non-deduction of income tax. The para was kept pending.

27.12.95: Audit informed the Committee that due to non-deduction of income tax from the concerned parties the exchequer was put to a loss of Rs.38,944. The PAC, in its meeting held on 20-3-1995, had directed that the amount should be recovered from the D.D.O. responsible for non-deduction of income-tax. The Department assured the Committee that, as per rules, deduction at the rate of one-third of the monthly pay of the defaulter had been ordered. **The para was kept pending** for full recovery.

80. Para 22: Page 28 – Probable Loss of Rs.1,124,180 due to Purchase of Substandard Pesticides

Audit had observed: “PAD & SC (HO) purchased Pesticides worth Rs.1,151,746 from M/s Cytozene before July 1985 but could only sell pesticides worth Rs.27,566 upto 30.6.1987 leaving a balance worth Rs.1,124,180 in stock. In view of the negligible sale, the corporation asked the suppliers to take back the remaining stock and at the same time debited their account to that extent. The supplier neither lifted the balance quantity nor accepted liability thereof, and that is now the matter stood in June 1987 Audit would suggest to fix responsibility for purchase of substandard pesticides with a view to making good the loss from the persons concerned.”

20.3.95: The case being subjudice was kept pending. The details of the court case should be provided to Audit.

27.12.95: The Committee was informed that the case was subjudice. The Public Accounts Committee directed that the Department should pursue the case vigorously. **The para was kept pending.**

81. Para 23: Page 29 – Huge Loss of Rs.6.47 Million on the Auction of Damaged Fertilizers

Audit had observed: “Punjab Agricultural Development & Supplies Corporation sustained a loss of Rs.6.47 million on account of auction of a huge quantity of damaged and stony fertilizer of various varieties in December 1986. The fertilizer was purchased during the preceding two to three years but could not be sold to the farmers either due to negligence of the Management or a procurement of fertilizers in an unplanned manner. The stock of fertilizer became damaged and stony due to prolonged storage and ultimately it had to be disposed of through auction at a loss of Rs.6.47 million Audit would suggest to:-

- i) investigate the loss with a view to ascertain its causes and making recovery of the same by fixing responsibility; and
- ii) prepare a well planned policy for procurement of fertilizers keeping in view the demonstrated requirements of the farmers of the area.”

20.3.95: The representative of the Department explained that a Committee was constituted in 1989 to

determine the loss and to fix responsibility. The Public Accounts Committee directed the Department to complete action within three months positively.

27.12.95: The Audit pointed out that in their reply given in March, 1995 the Department had accepted trading loss of Rs.6.47 Million, but had now contended that actual trading loss was only Rs.3.231 million. The Committee directed that action to ascertain the loss and fix responsibility be completed within one month and correct position of damaged fertilizer be reported to the PAC. **The para was kept pending.**

82. Para 24: Page 29-30 – Non-recovery of Credit Sale of Imported Urea Valuing Rs.22,000

Audit had observed: “In the Punjab Agricultural development and supplies corporation credit sale of 200 bags of imported Urea valuing Rs.22,000 was made to a trading company on 15 January 1985. On 19 August 1985 it was found that the company which received the fertilizer closed down their business and their office was sealed by the Police in some other fraud case. The case regarding the two hundred bags of urea was neither registered with the police nor any other action was found to have been taken by the Management to recover the loss Audit would suggest an investigation into the matter with a view:-

- i) to ascertain the reasons for credit sale without any guarantee/Collateral;
- ii) to make the loss good from the person responsible for giving the imported Urea on credit and not recovering the cost even after 8 months; and
- iii) to review the credit sale policy with a view to provide adequate safeguards to the corporation.”

20.3.95: It was explained by the Departmental representative that the concerned Regional Manager had been directed by the Management to effect recovery of this amount from the loanee. The PAC directed that F.I.R. be got registered and recovery as arrears of land revenue should be pursued and progress be reported within 3 months. The para was kept pending.

29.1.96: The Committee was informed that part recovery of Rs.10,000 had been made. The MD undertook to recover the balance amount of Rs.12,000 within three months. **The para was kept pending.**

83. Para 25: Page 30-31 – Loss of Rs.1,041,714 due to Sale of Fertilizer at Reduced Rate

Audit had observed: “During the year 1983-84 the Managers of Punjab Agriculture Development and supplies Corporation at Mian Channu, Lodhran and Khanewal sold 5,718 bags of DAP and 10,405 bags of N.P. at reduced rates of Rs.60 and Rs.50 per bag respectively against the selling rates of Rs.133 and Rs.110 per bag. This resulted in a loss of Rs.1,041,714 to the Corporation. The above fertilizer was stated to have been damaged and sold at the reduced rates fixed by the marketing Wing of the corporation on 21.11.1983 but no authority letter in support thereof was produced to Audit Audit would, therefore, suggest to investigate the loss to fix responsibility therefore. The flaws and defects in the system of procurement, storage and distribution due to which these losses are sustained each year as also pointed out in the Audit Reports of various years may please be identified and shortcomings, if any, removed or additional controls introduced with a view to save the Corporation from the burden of heavy losses on this account each year.”

20.3.95: The para was kept pending of verification of record by Audit, by the next meeting.

29.1.96: The MD asked fifteen days time to get the requisite record verified by Audit. **The para was kept pending.**

84. Para 26: Page 31 – Loss of Rs.89,585 due to Rebagging of Imported Urea

Audit had observed: “In Punjab agricultural Development & Supplies corporation office Sargodha, Faisalabad and Kasur, shortages of 779 bags of imported urea valuing Rs.89,585 occurred in February, March, October 1985 and April 1986 on account of rebagging/standardization of torn out/moisture effected bags. The amount of loss was neither recovered from the employees responsible after investigation nor was written off under the orders of the Competent Authority Audit would stress upon early recovery of the amount of loss from the persons found responsible after proper investigation.”

20.3.95: The para was kept pending. The Department promised to finalize action within three months.

29.1.96: The Committee was informed that write off of Rs.59,570 had been verified by Audit. The para had been reduced to Rs.12,190 for which working paper had been prepared to write it off. The MD assured the Committee that the working paper would be placed before the Board in their next meeting. **The para was kept pending .**

Punjab Seed Corporation

85. Para 27: Page 31-33 – Loss of Rs.4.925 Million due to Piece-Meal Sale of Left Over Cotton Seeds to the Parties

Audit had observed: “Punjab Seed Corporation failed to achieve the target of sales during sowing season in 1984. Resultantly, a quantity of 125,249 bags of cotton seed was left over at various P.S.C. sales Centres. Contracts for the sale of left over seeds were executed by the corporation with two parties @ Rs.148 per bag viz. Messrs. Ahmad Hasan & sons, Multan and Muhammad Ayub of Pindi Bhattian. According to clause-2 of the agreement lifting of seed was required to be completed within the month of July 1984 otherwise cash security amounting to Rs.50,000 and Rs.100,000 of Mr. Ahmad Hasan & Sons Multan and Mr. Muhammad Ayub of Pindi Bhattian respectively was to be forfeited. But the Ist contractor lifted 10,282 bags out of 32,445 bags and the second lifted 41,343 bags out of 92,804 bags, leaving a balance of 73,624 bags. Subsequently, 10,000 bags were sold @ Rs.120 per bag (Rs.1,200,000) and 63,624 bags @ Rs.75 per bag (Rs.4,771,800). Resultantly, the corporation sustained a loss of Rs.4,924,552 ($73,624 \times 148 = 10,896,352 - 5,971,800$) due to piece meal sale of left over cotton seeds Audit would suggest to:-

- i) investigate the matter to find out the factors leading to non-lifting of the agreed quantity;
- ii) fix responsibility on the officials responsible for;
 - (a) non-execution of formal contracts having risk and cost clause;
 - (b) non-forfeiture of cash security of the parties;
 - (c) slackness in getting the seeds disposed of within the scheduled time;
 - (d) non-achievement of sales target with the sowing season;
- iii) recover the loss either from the parties or officials concerned.”

23.1.95: The Committee was not satisfied with the explanation given by the Punjab Seed Corporation in the working paper. The doubts that the then Management of the Punjab Seed Corporation had acted in this case to give financial benefits to the outside agencies at the cost of the interests of the Corporation with mala-fide intentions, could not be cleared. The Committee directed that the para be referred to the Board of Directors of the Punjab Seed Corporation for holding detailed inquiry and fixing responsibility for the irregularity and the loss within 2 to 3 months. The para was kept pending.

27.12.95: The Committee was informed that according to its previous directive, the matter was to be referred to the Board of Directors for holding detailed inquiry and fixing responsibility for the irregularity. The Corporation explained that inquiry had been completed and the working paper had been included in the agenda of the next meeting of the Board but the meeting could not be held as the MD was on leave. The Committee was assured that the matter would certainly be finalised in the next meeting of the Board to be held in the first week of January, 1996. PAC expressed its displeasure over the delay of eleven months and directed that final decision should be taken in the meeting scheduled for January, 1996. The para was kept pending.

17.10.96: The Department apprised the PAC that according to its directive the para was placed before the Board of Directors. But the Board was not satisfied with the Departmental findings and directed that fresh inquiry should be conducted. Fresh inquiry was conducted according to which actual loss was found to be of Rs.4.893 million and not of Rs.4.925 million. The inquiry report was placed before the Board in its meeting held on 16-9-1996. It was concluded by the Board that nobody was responsible for the loss and accorded the write off sanction. **The PAC settled the para** subject to the verification of write off sanction by Audit.

86. Para 28: Page 33-34 – Shortage of Seed Valuing Rs.0.671 Million

Audit had observed: “In Punjab Seed Corporation a number of unsold stocks of cotton and empty bags valuing Rs.671,825 were found short at various centers during the year 1985-86. Despite the lapse of four years neither the shortages were made good nor any investigation carried out Audit would suggest that:-

- i) the shortages of seeds may be investigated with a view to make the loss good after fixing responsibility against officials at fault;
- ii) necessary steps be taken to avoid such recurrence in future; and
- iii) a copy of the enquiry report in respect of shortage of bags may be furnished.”

23.1.95: The Department explained that so far as shortage of seed was concerned, inquiries had since been completed. The over-all shortage was 2.81% which was within the permissible limit of 3% on account of dryage. So far as store shortage was concerned the actual shortage was worth Rs.39,000 as the jute bags were not new but old and used. The official responsible for the shortage had absconded and F.I.R. had been registered against him in 1992. The Finance Department observed that the dryage should be calculated store-wise and not on over-all basis.

The Public Accounts Committee directed that in respect of both parts of the para, the inquiry should be conducted by the Agriculture Department and the officers/ officials responsible for shortages, or for showing dryage above the permissible limit may be proceeded against under E&D Rules and the action completed be within 2 months. The para was kept pending.

27.12.95: The Corporation informed the Committee that store losses had been worked out separately and submitted to Audit. Audit explained that the information had been supplied to them only one day earlier and therefore, no comments could be offered, but it appeared the losses were quite heavy. The Board stated that over-all losses worked out to 1.04% which were within the prescribed limits. Regarding shortage of Rs.39,000, the Board explained that the defaulting official had absconded and FIR had been got registered against him in 1992. On the assurance of the Corporation that actually there was no loss, **the para was settled.**

87. Para 29: Page 34-35 – Doubtful Recovery of Rs.154,800 as a Result of Undue Favouritism in Credit Sales to the Parties on Personal Surety of Deputy Manager (Marketing) Khanewal

Audit had observed: “In Punjab Seed Corporation Khanewal, an Officer extended undue favour to various parties by allowing them to lift substantial quantities of wheat seed on credit basis on his personal surety resulting in doubtful recovery of Rs.154, 800 Audit would suggest to:-

- i) fix responsibility on the officer who allowed credit sales to the parties without safeguarding corporation’s interest; and
- ii) make the loss good by recovering the same from the sureties.”

23.1.95: The Department admitted that credit sale to the parties was irregular. The credit sale had been made on the personal surety of the Deputy Manager (Marketing) Khanewal. However, the Department had sued the defaulting parties in the civil court. In one case decree of Rs.92,000 had been issued in favour of the Department. The other case was still subjudice. The Department informed the Committee that dues of Rs.274,000 of the officer concerned were in the hands of the Corporation and if the amount was not recovered from the officers, it should be recovered from the dues of the said officer. The para was kept pending.

27.12.95: The Committee was informed that a decree of Rs.92,880 had been obtained from the court, but inspite of best efforts no property belonging to the defaulter M/s Waqar Traders could be traced, but efforts were in progress to recover the amount as and when the property was located. For recovery of Rs.61,920 from M/s Mahmood Brothers, the next date of hearing was fixed 1-1-1996 by the Civil Judge, Khanewal. However, through personal efforts, recovery of Rs.10,000 had been effected. The Committee directed that the Corporation should pursue the case vigorously and effect recovery of the amount. The para was kept pending.

17.10.96: The Department explained that a decree of Rs.92,880 had been obtained from the court but despite best efforts no property of the defaulter could be located. Anyhow, a brother of the defaulter, who was an officer in the Department had given the undertaking for the payment of Rs.92,880. The case of recovery of Rs.61,920 was still subjudice. The PAC was not satisfied with the explanation and observed that the officer who decided for the credit sale of the seed was responsible for the loss. Therefore, recovery of the loss may be effected from him within two months and also the court case be pursued vigorously in respect of recovery of Rs.61,920. **The para was kept pending.**

88. Para 48: Page 59-61 – Accounts and Reviews

30.5.02: This para pertained to accounts and reviews. Therefore, the committee noted it.

Agricultural Engineering Division Faisalabad

89. Para 49: Page 65-66 – Working Results

With reference to the working results, Audit had suggested: “Steps need be taken to increase the efficiency of the workshop so as to increase the working hours of each machine and control the expenses especially on pay and allowances by matching strength of the staff with the machines in operation.”

29.1.96: The Committee was informed that a Sub-Committee of PAC-II, headed by Haji Muhammad Afzal Chan, MPA, was already inquiring into the losses of certain Divisions, including the Faisalabad, AED, and premature condemnation of bulldozers, with reference to the Commercial Audit Report for the year 1985-86 and its report was awaited. **The para was kept pending.**

90. Para 50: Page 66 – Non-confirmation of Stores Transferred and Received

Audit had observed: “Stores valuing Rs.7.294 million were received from other divisions during the year 1987-88 whereas stores of Rs.2.679 million and Rs.3.143 million were transferred to other divisions during the year 1986-87 and 1987-88 respectively. As pointed out previously no confirmation/acknowledgements of stores received and transferred was obtained. No procedure for inter transfer of stores among various divisions was prescribed at the end of each year. The needful may be done now.”

29.1.96: Reconciliation having been done with Audit, **the para was settled.**

91. Para 51: Page 66 – Premature Condemnation and Early Disposal of Bulldozers

Audit had observed: “During the year 1987-88 there were 134 bulldozers out of which 69 machines remained standing idle as their operation was considered uneconomical. 15 bulldozers were auctioned after obtaining the approval from the Finance Department for their disposal. The matter regarding approval for disposal of 54 bulldozers was still under process. Need for investigating the matter for premature condemnation of these machines and their early disposal is stressed upon the Management.”

29.1.96: Disposal of 69 bulldozers had been verified by Audit. **The para was settled.**

92. Para 52: Page 66 – Non-disposal of Empty Drums

Audit had observed: “There exist empty drums worth Rs.164,250 serving no purpose being blockage of capital. Early disposal of the stock is stressed.”

29.1.96: Audit informed the Committee that disposal of drums had been verified by it. **The para was settled.**

93. Para 53: Page 66 – Non-maintenance of Books of Accounts

Audit had observed: “No proper books of accounts have been maintained. The accounts have been prepared from various returns and statements and therefore, authenticity of these accounts is doubtful. Maintenance of books of accounts on commercial pattern is stressed upon the Management.”

29.1.96: The Department explained that they could not prepare the accounts on commercial pattern because the staff supplied by Audit had expressed their inability to prepare such accounts. The Department had requested Audit to train its own employees. The Committee directed that the Director, Commercial Audit, should depute suitable persons to train the Department's personnel. **The para was settled** with the above direction.

94. Para 54-63: Page 67-93 – Financial Review and Balance Sheet

30.5.02: These paras pertained to financial review and Balance Sheet, therefore, the committee noted them.

Agricultural Engineering Division Lahore

95. Para 64: Page 97-98 – Working Results

With reference to the working results, Audit had suggested: “The losses, therefore, need to be investigated with a view to take suitable steps to make the Division at least self sufficient.”

29.1.96: The Department informed the Committee that after reconciliation with Audit most of the losses had been cleared. The Committee directed that the matter should be finalized expeditiously by the next meeting. **The para was kept pending.**

96. Para 65: Page 98 – Non-maintenance of Record of Transfer of Stores

Audit had observed: “Inter Division transfer of stores and spares and other assets is generally made by the Department but their proper record was not maintained during the three years under review. The receipts and transfers were not reconciled with the concerned Division. The need for the same is stressed upon the Management.”

29.1.96: Reconciliation of stores with other divisions had been verified by Audit. **The para was settled.**

97. Para 66: Page 98 – Sundry Debtors

Audit had observed: “Sundry debtors amounted to Rs.124,238 as on 30 June 1989 were outstanding since 1966-67. Since then there is no progress towards the recovery from the debtors. The reasons due to which such old debts could not be recovered upto now need to be explained and immediate steps be taken for their realization.”

29.1.96: The Department explained that the sundry debts amounting to Rs.124,235 related to 1966-67 and thus a case for write off was in process. **The para was settled** subject to write off and its verification.

98. Para 67: Page 98 – Increase in Cash

Audit had observed: “Cash in hand increased from Rs.60,468 on 30 June 1988 to Rs.204,626 on 30 June 1989 registering an increase of 238.40% over the balance of previous year. Therefore, such an abnormal increase in the balance was not desirable. Necessity of keeping public fund at the minimum level is stressed upon the Management.”

29.1.96: As verification had been done by Audit, **the para was settled.**

99. Para 68-82: Page 99-129 – Financial Review and Balance Sheet

30.5.02: These paras pertained to financial review and balance sheet, therefore, the committee noted them.

Agricultural Engineering Division Rawalpindi

100. Para 83: Page 133 – Working Results

With reference to the working results, Audit had suggested: “The desirability of bringing the machines in workable condition be considered or action for their disposal taken.”

29.1.96: As verification had been done by Audit, **the para was settled.**

101. Para 84: Page 133 – Non-disposal of Dozers

Audit had observed: “Nine Russian Dozers having their residual value of Rs.483,679 alongwith inventories of its spare parts worth Rs.497,027 were lying un-disposed at the close of the year under review. The need for their disposal is stressed.”

29.1.96: The amount on account of sale proceeds of nine dozers having been verified by Audit, **the para was settled.**

102. Para 85: Page 134 – Wrong-Maintenance of Income from Sale of Machinery

Audit had observed: “Sales proceeds of Rs.1.480 million in respect of sale of 25 old Russian Dozers during May 1988 were wrongly included income from Bulldozers (Rs.15.810 million). The figures of sale proceeds should have been shown independently in the revenue account.”

29.1.96: The Department informed the Committee that income from sale of unserviceable vehicle/scrap was being deposited in the relevant head of accounts and shown independently by the Management to Audit, which was also verified by it. **The para was settled accordingly.**

103. Para 86: Page 134 – Shortages in POL (Consumption)

Audit had observed: “Shortages in POL worth Rs.23,089 (Rs.188,366 in 1986-87) appeared in the store accounts for the year under review. The shortages need to be investigated and the loss made good after fixing responsibility thereof. Remedial measures are also required to be taken to avoid the recurrence of such shortages in future.”

29.1.96: Recovery of Rs.23,089, pertaining to fuel consumption having been verified by Audit, **the para was settled.**

104. Para 87-95: Page 135-159 – Financial Review and Balance Sheet

30.5.02: These paras pertained to financial review and balance sheet, therefore, the committee noted them.

Agricultural Engineering Division Sargodha

105. Para 96: Page 163-164 – Working Results

With reference to the working results, Audit had suggested: “Steps may, therefore, be taken to (i) increase the efficiency of the workshop so that the bulldozers detained for repairs are promptly brought into operation (ii) obtain the maximum booking for leveling the land (iii) control the expenditure under all heads of accounts and (iv) avoid the over staffing in the Division.”

29.1.96: The Department was directed to reconcile the figures with Audit. **The para was kept pending.**

106. Para 97: Page 164 – Non-disposal of Spare Parts

Audit had observed: “Spare parts and workshop material of Rs.5.731 million as on 30 June 1988 includes spares of the bulldozers which have already been discarded in the division but neither these parts have been

disposed of nor segregated so far. Need for segregation of obsolete spares and early disposal is stressed upon the Management.”

29.1.96: The Department informed the Committee that Audit had verified that obsolete parts valuing Rs.1.019 million had been auctioned for Rs.1.178 million resulting in a net profit of Rs.0.199 million. **The para was settled.**

107. Para 98: Page 164 – Non-confirmation of Transferred Stores

Audit had observed: “Stores of Rs.4.033 million were sent to other divisions during the year 1987-88 but no confirmation was obtained from the recipient divisions. The needful may be done now.”

29.1.96: Audit had verified that the stores worth Rs.4,033 million transferred to other divisions had been got confirmed from the recipient divisions. **The para was settled.**

108. Para 99: Page 164 – Provision for Pension Contribution on Adhoc Basis

Audit had observed: “Provision for pension contribution amounting to Rs.390,774 and Rs.525,930 during the years 1986-87 and 1987-88, respectively was made on adhoc basis instead of approved formula. Necessity for making provision of pension contribution under approved formula is again stressed upon the Management.”

29.1.96: The Department informed the Committee that Audit had verified that pensionary charges were being provided according to the prescribed formula. **The para was settled.**

109. Para 100: Page 164 – Non-reconciliation of Withdrawals

Audit had observed: “The figures of withdrawal from treasury during the years 1986-87 & 1987-88, have not been reconciled with the respective District Accounts Offices. Needful may be done now.”

29.1.96: The figures of withdrawal from Treasury having been reconciled with the concerned District Accounts Offices and verified by Audit, **the para was settled.**

110. Para 101: Page 164 – Sundry Debtors

Audit had observed: “sundry Debtors stood at Rs.297.536 at the close of the year under review as against Rs.130,089 in the preceding year 1986-87. Year-wise analysis of the debtors need to be compiled by the Management and recovery of the old outstanding dues accelerated.”

29.1.96: The Committee directed the Department to get the losses written off, since the debts were quite old and there were no chances of recovery. **The para was kept pending.**

111. Para 102: Page 164 – Non-maintenance of Accounts

Audit had observed: “No accounting policies adopted on the preparation of accounts have been indicated.”

29.1.96: The Department explained that the AG had already been requested to provide experts for maintenance of accounts on commercial pattern. **The para was settled.**

112. Para 103-104: Page 164-165 – Unnecessary Accumulation of Stores

Audit had observed: “The consumption and fresh purchases of stores and spares during the years 1985-86

to 1987-88 as well as their opening and closing balances were as under:-

(Rs. In million.)

	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>
Opening balance.	9.048	9.357	9.950
Receipt.	5.123	4.703	4.114
Consumption.	4.813	4.110	4.300
Closing balance.	9.357	9.950	9.764

The above details indicate that stock in hand at the close of each year included mostly obsolete items and in order to meet the day to day requirements of stores fresh purchases were made. It is also evident that minimum and maximum levels of inventory are not fixed and the stores are allowed to accumulate unnecessarily. Need for segregation of obsolete stores and fixation of minimum and maximum levels of inventory is stressed upon the Management.”

29.1.96: The Committee was informed that stores worth Rs.4,570,000 were lying with the Department and these were not purchased, as contended by Audit, but came as spare parts along with the machinery. The Committee directed that the Department should auction the stores. **The paras were kept pending.**

113. Para 105: Page 165 – Non-maintenance of Accounts on Commercial Pattern

Audit had observed: “The accounts have been prepared from various statements and proper books of accounts have not been maintained. As such the authenticity of these accounts is open to doubt. Maintenance of books on commercial pattern is stressed upon the Management.”

29.1.96: The Department explained that accounts on Commercial pattern were being prepared. **The para was settled.**

114. Para 106-115: Page 166-187 – Financial Review and Balance Sheet

30.5.02: These paras pertained to financial review and balance sheet, therefore, the committee noted them.

Punjab Agricultural Development and Supplies Corporation Lahore

115. Para 116: Page 191-192 – Working Results

With reference to the working results, Audit had suggested: “PAD & SC should avoid the building up of un-necessary stocks of pesticides so that the burden of mark up charges could be lessened.”

20.3.95: The working results were discussed in the light of financial date of subsequent years. The short fall of the PAD and SC had reduced from Rs.101.295 million in 1989-90 to Rs.3.891 million in 1993-94. **The Committee settled this para** with the observation that they should make hectic efforts to further minimize the

losses in future.

116. Para 117: Page 192 – Sundry Debtors

Audit had observed: “Sundry Debtors stood at Rs.205.091 million & Rs.191.111 million on 30 June 1989 & 30 June 1988 respectively as against Rs.153.748 million on 30 June 1987. Increasing trend in the sundry Debtors need to be curbed with a view to avoiding blocking up of funds in these debts.”

20.3.95: The Committee directed that the outstanding recoveries be pursued at personal level. A comprehensive report about the outstanding recoveries be submitted within three months along with the remarks against each, whether the recovery was possible or remote. The para was kept pending.

29.1.96: The Committee was informed that the latest balance of sundry debts as on 30-6-1995 was Rs.146,907,058 which had been verified by Audit. Thereafter the credit sale had been discontinued. The details of the outstanding amount would be placed before the Board for decision in each case whether recovery be pursued or the amount be written off. **The para was kept pending** for expeditious finalization of the action.

117. Para 118: Page 192 – Non-regularization of Losses

Audit had observed: “Provision of losses provided for in the accounts amounting to Rs.105.969 million up to 30 June 1989. These provisions pertain to the various kinds of losses of fertilizer pertaining to the years 1973-74 to 1988-89 awaiting regularization by write off or recovery from the parties concerned. Out of the losses for which provision was made in the accounts only a few cases have been pointed out through draft paras in various compilations of Commercial Accounts but most of the cases remained unnoticed. Such unnoticed cases be looked into individually on case to case basis with a view to fix individual responsibility and make good the losses.”

20.3.95: It was explained by the Department that Committees of officers had been constituted to process the cases of write off/regularization of losses. No details had been given whether the losses were due to theft or misappropriation. The Public Accounts Committee directed that a 2 – Members Committee of PAD & SC be constituted and Audit would thrash out the matter, fix responsibility and submit report to PAC within six months. The para was kept pending.

29.1.96: With reference to PAC directive dated 20-3-1995, the Finance Department informed the Committee that the para involved 23,000 cases, therefore, inquiry was impossible. The Corporation informed the Committee that working papers for writing off the remaining losses had been prepared and would be placed before the Board in their next meeting. The Committee directed that action be expedited and monthly progress report be submitted to PAC. The Finance Department and Audit. **The para was kept pending.**

118. Para 119: Page 192 – Non-finalization of Cases of Losses

Audit had observed: “Similarly provision for the loss of Rs.5.526 million on account of wheat, cotton and paddy seeds has been made in the accounts ending 30 June 1989. Early finalization of the cases either through recovery or regularization of losses under the orders of the Competent Authority is stressed upon the Management.”

20.3.95: It was explained by the Department that Committees of officers had been constituted to process the cases of write off/regularization of losses. No details had been given whether the losses were due to theft or misappropriation. The PAC directed that a 2-Members Committee of PAD and Sub-Committee be constituted

and Audit would thrash out the matter, fix responsibility and submit report to PAC within six months. The para was kept pending.

29.1.96: With reference to PAC directive dated 20-3-1995, the Finance Department informed the Committee that the para involved 23,000 cases, therefore, inquiry was impossible. The Corporation informed the Committee that working papers for writing off the remaining losses had been prepared and would be placed before the Board in their next meeting. The Committee directed that action be expedited and monthly progress report be submitted to PAC. The Finance Department and Audit. **The para was kept pending.**

119. Para 120: Page 193 – Non-accountal of Expired Pesticides

Audit had observed: “Stocks of pesticides of Rs.67.636 million held on 30 June 1989 included expired pesticides of Rs.30.066 million but no provision for these expired pesticides was found to have been made in the accounts. The loss of the year was, therefore, understated to that extent.”

20.3.95: Out of pesticide stocks worth Rs.67.636 million held on 30-6-1989, major stocks worth Rs.47.366 million had already been disposed of, leaving a balance of Rs.20.269 million. Provision for expired stocks would be made in books of accounts after proper authentication. The para was kept pending with the direction that a report about the present position of pesticides would be submitted to the PAC within three months.

29.1.96: The Corporation informed the Committee that the position of pesticide stock as on 30-6-1995 was Rs.21.025 million. The details about the break-up of fit and unfit stock were being collected from the field formations and a comprehensive working paper would be placed before the Board for its final decision. The PAC directed that the action be expedited. **The para was kept pending.**

120. Para 121: Page 193 – Physical Verification of Stock

Audit had observed: “Physical stock taking lists of the assets and stocks held by the corporation on 30 June 1989 and 30 June 1988 were not produced to Audit on the plea that most of the lists were available in the field offices. The authenticity of the physical existence of assets and stocks held by the Corporation, therefore, remained unverified. Necessity of making the physical stocking lists available at PAD & SC Headquarter office is, therefore, stressed upon the Management.”

20.3.95: Annual physical verification statements were produced to Audit and got verified in August, 1994. Therefore, **the para was settled** by the Public Accounts Committee.

121. Para 122: Page 193 – Claim of Subsidy

Audit had observed: “The balance under the head “Price Escalation Fund” payable to the Federal Government stood at Rs.225.303 million on 30 June 1988 which rose to Rs.276.558 million on 30 June 1989 crediting Rs.57.030 million on account of cost differential for the year 1988-89 and debiting Rs.5.775 million as subsidy on sale of Gypsum. Since the claim of the subsidy on sale of gypsum was not yet admitted by the Federal Government setting off the above claim against “Price Escalation Fund:” was not justified. The claim of subsidy, therefore, needs to be written back and shown distinctly on the asset side under the head receivable from the Federal Government.”

20.3.95: The para was settled subject to verification by Audit.

29.1.96: Receipt of subsidy claim amounting to Rs.5.775 million, from the Federal Government having been verified by Audit, **the para was settled.**

122. Para 123: Page 193 – Claims of Interest Charges

Audit had observed: “Interest receivable from Banks stood at Rs.11.300 million on 30 June 1989 outstanding since Ist July 1987. The interest charges receivable represented the interest claimed by the Corporation from the banks on late transfer of cash under Sales collection account to overdraft account but the banks have not agreed to afford credits for interest charges claimed by the Corporation. The details of interest charges claimed from various banks are as under:-

H.B.L	Rs.	7,951,223
A.B.L	Rs.	3,222,043
U.B.L	Rs.	638,220
Punjab Cooperative Bank	Rs.	230,880
M.C.B	Rs.	152,200
N.B.P	Rs.	4,852
Total:	Rs.	<u>11,299,418</u>

Early settlement of the claims of interest charges receivable from the banks is stressed upon the Management.”

20.3.95: It was explained by the Department that the Management had debited the concerned bank O.D. accounts and the same could be verified by Audit from the books of accounts. The para was kept pending for early settlement of the claims of interest charges receivable from the banks, at personal level by the Administrative Secretary.

29.1.96: The Committee was informed that claim of Rs.11.300 million of the Corporation had not so far been accepted by the concerned Banks. The Committee directed that the Corporation should approach the Pakistan Banking Council and the Finance Division, Islamabad for settlement of the claim. **The para was kept pending.**

123. Para 124-131: Page 194-217 – Financial Review and Balance sheet

30.5.02: These paras pertained to financial review and balance sheet, therefore, the committee noted them.

Punjab Seed Corporation Lahore

124. Para 132: Page 221-222 – Working Results

With reference to the working results, Audit had suggested: “Effective steps need be taken to improve the working results of the Corporation.”

23.1.95: The Audit Department maintained that the Corporation was perpetually sustaining operating losses from 1982 to 1987 and the loss was likely to increase further, due to heavy incidences of depreciation when the items of plant and machinery, shown as work in progress were capitalized. The Managing Director assured the Committee that effective steps were being taken by the Department to improve the working results of the Corporation. Audit observed that working results of the Corporation had been improved in the subsequent years. Hence the para was recommended for settlement. The Public Accounts Committee **settled**

the para as recommended by Audit.

125. Para 133: Page 222 – Delay in Completion of Seed Project

Audit had observed: “The work in seed processing Plants was under taken in 1977 but remained incomplete even in June 1987. The Capital work in progress stood at Rs.122.778 million on 30 June 1987 as against Rs.121.038 on 30 June 1986. Inordinate delay in the completion of the Seed Project needs to be investigated to fix responsibility and steps be taken for early completion of the same.”

23.1.95: The cases being subjudice, the para was kept pending.

27.12.95: The Corporation informed the Committee that decision regarding claims of M/S Continental Engineers, Matrix Engineers and Mustafa Construction Company could not be decided due to the death of the first Umpire and elevation of the second Umpire to the Bench. Now, a third Umpire had been appointed by the court and the next date had been fixed for 1-2-1996. The Corporation was directed to get final decision by the Umpire. The para was kept pending.

17.10.96: The Department explained that the cases of M/S Continental Engineering and M/S Matrix Engineers were still pending with the Arbitrator. The case of Mustafa Construction Co., had been decided by the Arbitrator and the award in favor of the contractor had been given for payment of Rs.2,536,852 to the contractor which was paid to the contractor. The PAC directed the M.D., Punjab Seed Corporation to conduct a detailed inquiry to ascertain the factual position of the cases involved and submit his findings to PAC in the next meeting including the payment of Rs.2,536,852 made to the contractor as a result of award of the Arbitrator in favor of the contractor. The Department was also directed to pursue the remaining two cases vigorously which were pending with the Arbitrator. **The para was kept pending.**

126. Para 134: Page 222 – High Inventory of Packing Material

Audit had observed: “Stores on 30 June 1987 stood at Rs.40.533 million as against Rs.34.425 million on 30 June 1986. The packing material amounting to Rs.35.367 million was included in the stores whereas the stock held was sufficient for 2-3 years. Since the packing material is a locally produced item, need for control over stores is stressed upon the Management’.

23.1.95: The para was settled in view of the satisfactory explanation of the Department.

127. Para 135: Page 222 – Huge Blockage of Funds with Suppliers

Audit had observed: “Advances to suppliers (Material) amounted to Rs.6.390 million on 30 June 1987. The huge blockage of funds with suppliers needs justification when the corporation is already under burden of short term borrowing of Rs.50.554 million.”

23.1.95: The cases being subjudice, the para was kept pending.

27.12.95: The Corporation informed the Committee that decision regarding claims of M/S Continental Engineers, Matrix Engineers and Mustafa Construction Company could not be decided due to the death of the first Umpire and elevation of the second Umpire to the Bench. Now, a third Umpire had been appointed by the court and the next date had been fixed for 1-2-1996. The Corporation was directed to get final decision by the Umpire. the para was kept pending.

17.10.96: The Department explained that the cases of M/S Continental Engineering, Matrix Engineers

and Mustafa Construction Co., were pending with the Arbitrator. The cases of Continental Engineering and Matrix Engineers were still pending with the Arbitrator while the case of Mustafa Construction Co., was decided by the Arbitrator by announcing an award of Rs.2,536,852 in favor of the contractor. The said amount of Rs.2,536,852 had been paid to the contractor. The PAC directed the M.D. Punjab Seed Corporation to conduct an inquiry for ascertaining the factual position including the payment of Rs.2,536,852 made to the contractor as a result of award of Arbitration. He would submit his findings to the PAC in the next meeting. The Department was also directed to pursue the cases in Arbitration for early finalization. **The para was kept pending.**

128. Para 136: Page 222 – Heavy Administrative Charges

Audit had observed: “Administrative & General expenses stood at Rs.28.196 million June 1987 as against Rs.24.525 million Rs.22.273 million Rs.11.475 million for the years 1985-86, 1984-85 & 1983-84, 30 June 1985 & 30 June 1984 respectively. There was particularly heavy increase under the head salaries/wages, traveling, rent rates & taxes, entertainment, telephone and Postage. Need to control the admn. & general expenses is stressed upon the Management.”

23.1.95: The explanation of the Department that the expenses increased due to increase in TA/DA rates with effect from 1-7-86, and increase in rent and salary, etc. was accepted by the Public Accounts Committee, therefore, **the para was settled.**

129. Para 137-160: Page 224-310 – Financial Review and Balance sheet

30.5.02: These paras pertained to financial review and balance sheet, therefore, the committee noted them.

Board of Revenue

Overview

Total Paras
14

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 3	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 3.5, 3.6, 3.8	3
Paras Finally Settled 2	Paras finally settled as the requisite action had been taken.	Civil: 3.5.1, 3.6.2(2)	2
Para Conditionally Settled 1	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.	Civil: 3.6.2(4)	1
Paras Pended 8	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Civil: 3.6.1, 3.6.2(1), 3.6.2(3), 3.6.3, 3.8.1(1), 3.8.1(2), 3.8.1(3), Annexure Para: 5	7 1

Discussed on 3 January 1993 and 30 May 2002.

(Civil Audit)

1. Para 3.5: Page 38 – Negligence Rs.113,022

30.5.02: The Committee noted the para as it contained summary of one case of negligence with reference to the undermentioned para 3.5.1

2. Para 3.5.1: Page 38 – Wasteful Expenditure on Pay of the Staff, Honorary Magistrates Courts Dispensed with Rs.113,022

Audit had observed: “The courts of Honorary Magistrates of Tehsil Sadiqabad and Liaquatpur was dispensed with effect from 30.6.1986 but pay of their staff continued to be drawn upto 30.6.1988 resulting in an unnecessary expenditure of Rs.113,022 without justification.”

3.1.93: The Department explained that the Finance Department had accorded sanction to the regularization of the expenditure and the same had been verified by Audit. **The para was settled.**

3. Para 3.6: Page 38 – Rules Violation Rs.4,719,833

30.5.02: The Committee noted the para as it contained summary of three cases of violation of rules with reference to the undermentioned paras 3.6.1, 3.6.2 and 3.6.3.

4. Para 3.6.1: Page 38 – Irregularities in the Construction of Zakat House Rs.2,191,875

Audit had observed: “87 Zakat houses were got constructed by the Asstt. Commissioner, Muzaffargarh incurring expenditure to the stated extent but no measurement book thereof was maintained. Further open tenders were also not invited through advertisement in the daily newspapers to ensure economical expenditure.”

3.1.93: The para was kept pending and the Department was directed to get the record verified by Audit, according to their explanation given in the working paper. In this connection the Administrative Department would issue instructions to its field offices by the next day under intimation to Audit.

5. Para 3.6.2 (1-4): Page 38 – Excess Expenditure on Residential Telephone not Recovered Rs.1,159,208

Audit had observed: “The stated expenditure on residential telephones calls was in excess of prescribed limit of calls which need to be recovered from the officers concerned or regularized.”

3.1.93: 1) Deputy Commissioner Lahore Rs.900,762

The Committee directed that this case may be thoroughly inquired into

and result intimated to the Committee within two months. **The item was kept pending.**

2) Deputy Commissioner Gujrat Rs.107,373

The expenditure had been regularized by the Finance Department and verified by Audit. **The item was settled.**

3) Deputy Commissioner Faisalabad Rs.146,794

The item was kept pending for regularization by the Competent Authority.

4) Deputy Commissioner Rajanpur Rs.4,279

The Department stated that the item had already been dropped in the DAC. **The item was settled** subject to verification by Audit. The Committee observed that the existing ceiling of the number of calls from the residential telephones of the Deputy Commissioners did not match with their multifarious functions. Therefore, the Department must get the ceiling enhanced by the Competent Authority to avoid reference of such draft paras in future.

6. Para 3.6.3: Page 39 – POL Account of Government Vehicles not Maintained Rs.1,368,750

Audit had observed: “Neither point to point journeys were recorded in the log book nor duty slips were issued. POL account was also not maintained. The stated amount was spent on repair & POL.”

3.1.93: The para was kept pending with the direction that the record may be got verified by Audit.

7. Para 3.8: Page 39 – Recovery Outstanding Rs.773,530

30.5.02: The Committee noted the para as it contained summary of one case of outstanding recovery with reference to the undermentioned para 3.8.1.

8. Para 3.8.1(1-3): Page 40 – Non-recovery of Rent from Occupants of Kutchery Compound Rs.773,530

Audit had observed: “The recoveries to the stated extent due from occupants on account of rent were not affected. No efforts were made by the Department for the recovery thereof.”

3.1.93: 1) Deputy Commissioner Faisalabad Rs.74,820

The Committee directed that the recovered amount of Rs.37,340 as stated by the Department be got verified by Audit and the remaining amount may either be recovered or written off by the Competent Authority. **The item was kept pending.**

2) Deputy Commissioner Gujrat Rs.132,200

(a) Rs.121,000

The Department explained that an inquiry had been held and responsibility fixed and the case was under trial. **The item was kept pending.**

(b) Rs.11,200

The matter was subjudice, **hence kept pending.**

3) Deputy Commissioner Lahore Rs.566,510

It was stated that an amount of Rs.180,770 was only recoverable. Partial amount had been recovered and the present balance was Rs.90,835. The Committee directed that the total recoverable amount may be reconciled, the amount recovered may be got verified and the balance may be recovered expeditiously. **The item was kept pending.**

Communication and Works Department

Overview

Total Paras

139

Abstract

Status	Decision	Para Nos.	Total
Paras Finally Settled 73	Paras finally settled as the requisite action had been taken.	Works: Buildings Department: I-1, I-2, I-5, I-7, I-10, I-11, I-15, I-18, I-21, I-22, I-23, I-24, II-1, II-2, III-2, III-3, III-6, III-7, IV-1 (i), IV-1(ii), IV-2(i)(ii)	21
		Annexure Paras: 18(2)(i)(iii), Annexure 2, 17(a)4(5), 17(a)22, 28-5(i), 50, 27, 31, 7, 11(2), 10(2), 11(3), 11(4), 11(7), 22, 42(vii), 16(5), 16(6), 11(i)	19
		Highways Department: I-1, I-2, I-3, I-4, I-5, I-7, I-10, I-12, II-1, II-2, II-3, II-4, II-6, II-7, II-8, II-10, II-11, II-12, II-13, II-14, II-15, II-16, II-17, II-18, II-20, III-2, III-4, IV-1	28
		Annexure Paras: 17(a)3(12), 53(15), 64(i), 71(3), 53	5
Paras Conditionally Settled 21	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 month.	Works: Buildings Department: I-3, I-4, I-12, I-25, III-1, III-4	6
		Annexure Paras: 5(i), 23(12), 41(7), 6(ii), 14(4), 11(i)	6
		Highways Department: I-6, I-8, I-9, I-11, II-5, II-19, II-21, III-1	8
		Annexure Para: 43	1
Paras Pended 45	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Works: Buildings Department: I-6, I-8, I-9, I-13, I-14, I-16, I-17, I-19, I-20, III-5,	10
		Annexure Paras: 23(4), 8(i), 15(6), 17(1), 18(2)(iii), 18(2)v, 18(3)vi/D, 18(6)(iii), 18(3)(ii), 16(a)ii(xi), 17(a)23(vi), 17(a)50 Annexure 2(i), Annexure 3(i), 28-4(i), 28(5), 33(i), 34, 52(i), 18(i), 70, 76, 28, 29, 19, 11, 20, 22, 5(i)	29

	Highways Department: II-9, II-22, III-3	3
	Annexure Paras: 30(4), 30(11), 16(a)12	3

Discussed on 3, 4 March 1993, 7-8 November, 5 December 1994, 12, 23 February 1995, 9 March, 8 May 1995 and 12 December 1998

(Works Audit)

Buildings Department

1. Para I-1: Page 32 – Overpayment to a Contractor Rs.70,500

Audit had observed: “The contents of R.C.C 1:2:4 were incorrectly worked out as 3895.22 cft instead of 2195.96 cft, which resulted in an overpayment of Rs.70,500 to a contractor.”

7.11.94: The recovery of Rs.71,273.15 against the amount of Rs.70,465.76 had already been effected and verified by Audit. The Department explained that initially overpayment had been made to the contractor due to miscalculation of figures. The Committee was informed that the Chief Engineer (Buildings) had already ordered that disciplinary action may be taken against the officer/official responsible for this overpayment. The Committee directed that a copy of the order of the Chief Engineer to the Superintending Engineer may be produced in the next meeting and the Superintending Engineer should also attend the next meeting to explain date-wise details of the disciplinary proceedings. The para was kept pending.

5.12.94: The Department explained that in compliance with the Public Accounts Committee directive dated 7-11-1994 action against the officer concerned was in progress. The para was kept pending.

12.12.98: The Department explained that recovery had already been effected and verified by Audit. About the disciplinary action it informed that the officials at fault were proceeded against and minor penalty of censure was imposed upon them. The PAC accepted the explanation and **the para was settled.**

2. Para I-2: Page 32 – Overpayment to a Contractor Rs.10,500

Audit had observed: “Payment of 278 Cft. R.C.C. 1:2:4 in raft base slab was measured and

paid at pages 44 & 57 of M.B No.008. This quantity was again added to the quantity of slab of roof paid vide pages 35 & 70 of Measurement Book No. 2511. Therefore, payment of 278 Cft. R.C.C. 1:2:4 was made twice resulting in overpayment of Rs.10,500.”

7.11.94: Recovery of Rs.10,538 had already been made and verified by Audit. The Department explained that the overpayment had been made due to double payment of the same measurement. The Committee directed that disciplinary action should be taken against officer/official responsible for the double payment. The Finance Department informed the Committee that on the initiation of the previous Committee, the Finance Department had already issued instructions to all the Administrative Departments that in the cases of overpayment/misappropriation etc., the Department should take disciplinary action against officers/officials responsible besides making recovery of the amount involved.

The Committee directed that necessary action on Audit’s comments must be taken by the Administrative Department and explained to the Public Accounts Committee in the working paper in future.

The Finance Department asked the Administrative Department whether two MBs could be maintained simultaneously for one project. The Administrative Department explained that rules were silent. However, in practice 2 MBs for the same project were also being maintained. The Committee directed that the Finance Department may examine the matter and issue necessary instructions for maintaining one Measurement Book for a project. The para was kept pending.

5.12.94: The Department explained that recovery had been made and disciplinary proceedings had been initiated against the officer concerned. The para was settled subject to finalization of disciplinary proceedings within three months.

12.12.98: The Department explained that recovery had already been made and verified by Audit. As to disciplinary action, an inquiry had been conducted and on the basis of the said inquiry report the Secretary Communications & Works Department had exonerated the persons previously held responsible for the overpayment. The PAC accepted the explanation and **the para was settled.**

3. Para I-3: Page 33 – Overpayment to a Contractor Rs.24,426

Audit had observed: “Extra payment on account of increase in the cost of cement consumed on a work from March 1984 to May 1985, was made to a contractor, though the Government has not announced any increase during the said period. This resulted in an overpayment of Rs.24,426 to contractor in June, 1986.”

5.12.94: The recovery involved had been effected and verified by Audit. The Department explained that action against the officer responsible for overpayment had also been finalized. **The para was settled** subject to verification of the punishment orders by Audit.

4. Para I-4: Page 33 – Overpayment to a Contractor Rs.24,700

Audit had observed: “Payment for R.C.C. in core wall and strip foundation was made at the rate of Rs.21.05 instead of Rs.15.70 per Cft. which resulted in an overpayment of Rs.24,700 to a contractor.”

5.12.94: The Department explained that recovery had been effected and disciplinary action against the Sub Engineer responsible for the overpayment had also been finalized. For disciplinary action against Mr. Abdul Aziz Randhawa, Divisional Accountant who was also found responsible for the overpayment, the Director Accounts (Works) Lahore, had been requested to proceed in the matter on 17-11-1994. The Committee directed that action against the Divisional Accountant may be completed within three months. **The para was settled** subject to verification of recovery and disciplinary proceedings within three months.

5. Para I-5: Page 33 – Overpayment to a Contractor Rs.12,228

Audit had observed: “ The quantity of cement plaster on walls was not reduced by the area of skirting which resulted in an overpayment of Rs.12,228 to contractors from August 1985 to March 1986.”

5.12.94: The Administrative Department explained that the balance amount of Rs.630 had also been recovered and disciplinary action against the officers/ officials responsible for overpayment had been initiated. The para was settled subject to the finalization of disciplinary action within three months.

12.12.98: The Department explained that total amount had since been recovered. The officers/officials responsible for overpayment had been proceeded against and they had been censured. The position had also been verified by Audit. The PAC accepted the explanation and **the para was settled.**

6. Para I-6: Page 33 – Double Payment to a Contractor Rs.53,000

Audit had observed: “The contents of brick masonry 1:6 were worked out to 6511.56 Cft. But in the abstract of cost, the quantity of 4365 Cft, already included in 6511.56 Cft. Was again added, resulting in double payment of Rs.53,000 to the contractor in October 1987.”

5.12.94: The Department explained that the amount had been recovered and verified. Disciplinary proceedings had been initiated against the officials responsible. The Public Accounts Committee directed that a fresh inquiry may be conducted to see whether the Supervisory Officers were at fault. This inquiry may be conducted by the Chief Engineer within three months. The para was kept pending.

12.12.98: The Department explained that the entire recovery had been made and disciplinary action against the responsible persons was still under process. The PAC directed that disciplinary proceedings may be completed within one month positively and **the para was kept pending.**

7. Para I-7: Page 34 – Overpayment to a Contractor Rs.12,000

Audit had observed: “The contents of brick masonry 1:7 worked out to 1192 Cft. but in the abstract of cost this quantity was carried over as 2192 Cft. resulting in an over payment of Rs.12,000 to a contractor in October 1988.”

5.12.94: The Administrative Department explained that the recovery had been made and verified and disciplinary proceedings were in progress. The para was settled subject to finalization of disciplinary proceedings within three months.

12.12.98: The Department explained that S.D.O. and the Sub Engineer concerned had been proceeded against and penalty of stopping the annual increment without future effect had been imposed upon them. This position had also been verified by Audit. The PAC accepted the explanation and **the para was settled.**

8. Para I-8: Page 34 – Overpayment to a Contractor Rs.36,600

Audit had observed: “Payment for three/four miles lead for carriage of earth required for filling under floors and in lawns of a few buildings, was made against the provision of one mile in the contracts which resulted in an overpayment of Rs.36,600 to the contractors in February and June 1988.”

5.12.94: Audit had pointed out that the overpayment was made on account of allowing 3 and 4 miles lead instead of one mile given in DNIT sanction by the Superintending Engineer. The Department explained that the earth was not available at Jora and Rasool Nagar within the prescribed distance of DNIT, so lead actually involved was paid to the contractor by the Executive Engineer who was competent under the rules/standing instructions to sanction the actual lead after its due verification. The Department explained that action against the officers/officials responsible for overpayment had been initiated. The officials responsible also include 2 Divisional Accountants and, the Director Accounts Works, Lahore had been requested for taking disciplinary action against them. The para was kept pending for recovery and finalization of disciplinary action within 3 months.

12.12.98: The Department explained that the case was with the Arbitration and its decision was awaited. **The PAC kept the para pending** for recovery and disciplinary action against the XEN, S.D.O. and the Sub Engineer concerned.

9. Para I-9: Page 34 – Overpayment to a Contractor Rs.45,300

Audit had observed: “Payment for three miles lead for carriage of earth (required for

filling in lawns and under floors) was made against the provision of one mile in the contracts which resulted in an overpayment of Rs. 45,300 to the contractors in June and July 1988.”

5.12.94: Audit had pointed out that the overpayment was made on account of allowing 3 and 4 miles lead instead of one mile given in DNIT sanction by the Superintending Engineer. The Department explained that the earth was not available at Jora and Rasool Nagar within the prescribed distance of DNIT, so lead actually involved was paid to the contractor by the Executive Engineer who was competent under the rules/standing instructions to sanction the actual lead after its due verification. The Department explained that action against the officers/officials responsible for overpayment had been initiated. The officials responsible also include 2 Divisional Accountants and, the Director Accounts Works, Lahore had been requested for taking disciplinary action against them. The para was kept pending for recovery and finalization of disciplinary action within 3 months.

12.12.98: The Department explained that provision of three miles lead was made in the technically sanctioned estimate, as such the expenditure incurred was quite regular. The officers/officials concerned were also charge sheeted and after detailed inquiry into the matter these officers/officials were exonerated.

The PAC directed that the case may be referred to the Standing Rates Committee for decision pertaining to lead allowed and rate paid by the Department. **The para was kept pending.**

10. Para I-10: Page 35 – Overpayment to a Contractor Rs.11,619

Audit had observed: “According to measurement recorded in the M.B. boring for the tubewell was done in 100 Rft., but payment was made for 150 Rft. The length of strainer and blind pipe used in the bore hole was also paid as 50 Rft. And 148.5 Rft. respectively. The payment of excessive boring and excessive length of blind pipe resulted in overpayment of Rs.11,619 to a contractor in November 1987.”

5.12.94: The Administrative Department explained that the recovery had been made and disciplinary action initiated against the officers/officials responsible for overpayment. The para was settled subject to finalization of disciplinary proceedings within three months and verification of record.

12.12.98: The Department explained that disciplinary action against the defaulters had been taken by the Administrative Secretary. The position had also been verified by Audit, the PAC accepted the explanation and **the para was settled.**

11. Para I-11: Page 35 – Overpayment to Contractors Rs.13,300

Audit had observed: “Payment for using brick ballast under floors was made at the rate meant for brick ballast required to be used in foundations, whereas specific rate for said item, was available in the Schedule of Rate, 1979, under Chapter ‘FLOORING’. As a consequence

of the application of incorrect rate an overpayment to the extent of Rs.13,300 was made to various contractors during June 1988.”

5.12.94: The contention of the Department was found justified and accepted and **the para was settled.**

12. Para 1-12: Page 35-36 – Excess Payment to various Contractors Rs.96,800

Audit had observed: “An overpayment of Rs.96,800 was made to various contractors due to allowing excessive rate of grills in contravention to the instructions of the Standing Rates Committee.”

4.3.93: The Department stated that out of an amount of Rs.67,774.14 proposed to be recovered from the contractors an amount of Rs.60,940.08 had already been recovered and adjusted. Efforts were being made for the balance recovery of Rs. 6,834.06 from the contractors. The Public Accounts Committee directed the Department to get the record verified pertaining to the amount recovered so far and the balance amount be recovered expeditiously. The para was kept pending.

8.5.95: The Department explained that the balance amount of Rs.5,641.63 had been recovered on 18-4-1995. **The para was settled** subject to verification of record by Audit.

13. Para 1-13: Page 36 – Overpayment to a Contractor Rs.48,200

Audit had observed: “ Payment for lead of 3.75 miles for bringing earth (required for filling under floors) was made against the provision of 2 miles lead in the contract which resulted in an overpayment of Rs.48,200 to a contractor.”

4.3.93: After hearing the views of the Secretary Finance Department, the Committee directed the Department to effect recovery within two months and submit report to the Committee. The para was kept pending.

8.5.95: The Department admitted that certain payments had been made to the contractor after this audit objection was raised. The Public Accounts Committee directed that the amount overpaid may be recovered from the officer who released the payment and the recovery be made within two months. The para was kept pending.

12.12.98: The Department explained that an inquiry was conducted to ascertain the extent of involvement of Departmental personnel and to fix responsibility for recovery as directed by PAC on 8.5.95. The inquiry officer concluded that Government had not sustained any loss and as such no officer/official was responsible. It was further added that two miles lead was tentative while payment was made according to actual lead involved at the site of work. Anyhow, the case was being referred to the Standing Rates Committee for decision. The PAC

directed to seek the decision of the Standing Rates Committee and **the para was kept pending.**

14. Para I-14: Page 36 – Overpayment to a Contractor Rs.22,700

Audit had observed: “Payment of 5.5 miles lead for bringing earth required for filling (under floors of a building) was made against the provision of two miles lead in the contract which resulted in an overpayment of Rs.22,700 to a contractor.”

4.3.93: After hearing the views of the Secretary Finance Department, the Committee directed the Department to effect recovery within two months and submit its report to the Committee. The para was kept pending.

8.5.95: It was stated by the Department that the contractor had filed a case against the recovery in the Court of Civil Judge, Ist Class Faisalabad. The Court awarded stay on 23-11-1993. The Public Accounts Committee directed that the Department should simultaneously proceed to make recovery from the officers responsible for excess payment. The para was kept pending.

12.12.98: The Department explained that as directed by the PAC on 8.5.95, an inquiry had been conducted to fix responsibility and for recovering the public money. The inquiry officer concluded that no loss had been sustained to the Government and none was responsible or defaulter. It was further added that two miles lead was tentative estimate while payment was made according to the actual lead involved at the site of work. The PAC directed to refer the case to the Standing Rates Committee for decision and **the para was kept pending.**

15. Page I-15: Page 37 – Overpayment to a Contractor due to Application of Incorrect Rates Rs.13,500

Audit had observed: “Payment for using brick ballast under floors was made at rates meant for brick ballast required to be used in foundations, whereas a specific rate for said item was available in the Schedule of Rates 1979, under chapter “FLOORING”. As a consequence of the application of incorrect rates, an over payment to the extent of Rs. 13,500 was made to a contractor.”

4.3.93: The explanation of the Department was accepted. **The para was settled.**

16. Para I-16: Page 37 – Overpayment to a Contractor due to Price Variation Rs.562,600

Audit had observed: “The price variation clause was amended by the Finance Department Government of the Punjab on 22 October 1987. According to this amendment price variation was not admissible for the quantities of material on which Secured Advance is paid to the contractors. In a few cases the Secured Advances for steel were allowed to the contractors after the issuance of the said amendment but price variation amounting to Rs.562,600 was paid to the contractors, which is overpayment.”

5.12.94: Audit pointed out that as per clarification of the Finance Department dated 22-10-1987 price variation was not admissible for the quantities of material on which secured advance was paid to the contractors. The Department contended that this clarification/amendment did not apply to the contracts prior to the date of this amendment/clarification. The Committee decided that the matter may be referred to the Standing Rates Committee for decision within one month. The para was kept pending.

12.12.98: The Department explained that the case had been referred to the Standing Rates Committee for decision in 10/98 and the decision was awaited. The PAC was not satisfied with the explanation of the Department and observed that the directives of the PAC was given on 5.12.94. While action for compliance of the said directive was initiated in 10/98. Therefore, the PAC directed that the officer responsible may be proceeded against for not taking timely action with regard to the directive of the PAC. The PAC further directed that decision of the Standing Rates Committee may also be obtained within one month. **The para was kept pending.**

17. Para I-17: Page 38: Unjustified Expenditure Rs.22,000

Audit had observed: “Sand was used under floors instead of earth rendered surplus, after refilling in foundations of a building, thereby causing extra expenditure of Rs.22,000. The reason why sand was used instead of earth, was not given. The unjustified expenditure was pointed out in August 1986.”

5.12.94: The Department explained that the amount involved had been recovered from the final bill of the contractor. Moreover, disciplinary action had also been initiated against the officers/officials responsible for this overpayment. The Public Accounts Committee directed that the technical sanction of final bill may be got verified by Audit. The para was kept pending for verification of recovery and finalization of the disciplinary proceedings.

12.12.98: The Department explained that recovery had been made and as to the disciplinary action against the officer/official responsible for overpayment an inquiry had been conducted. As a result of the inquiry the concerned officer/official were exonerated of the charges. Audit, however, apprised the committee that final bill and technical sanction was not shown to Audit. The PAC directed the Department to produce the final bill and Technical Sanction to Audit for verification within one month. **The para was kept pending.**

18. Para I-18: Page 38 – Overpayment to a Contractor Rs.11,800

Audit had observed: “Out of 33829 Cft. of surplus earth obtained as a result of excavation of foundation, a quantity of 20687 Cft. was used under floors against the requirement of earth filling under floors and the balance was brought from outside source. Thus 13142 Cft. of surplus earth (33829 – 20687) remained unused and resulted in overpayment of Rs.11,800 to

a contractor in March 1987.”

5.12.94: The total recovery had been effected and verified. The Department explained that the disciplinary action against the officers/officials concerned had been initiated. The para was settled subject to finalization of disciplinary proceedings within 3 months.

12.12.98: The Department explained that recovery of Rs. 11,800 had already been made in compliance with the PAC directive dated 5.12.94. The S.D.O. and the Sub Engineer concerned were proceeded against and minor penalty of “Censure” had been imposed upon them. The PAC accepted the explanation and **the para was settled.**

19. Para I-19: Page 38-39 – Overpayment to the Contractors due to Non-scheduled Rate Rs.72,000

Audit had observed: “Payment of 2” thick mosaic flooring was made at non-scheduled rate of Rs.11 per Sft instead of the admissible rate of Rs. 7.93 per Sft. Derived from the CSR 1979, according to Clause 12 of the agreement. This resulted in an overpayment of Rs. 72,000 to the contractors.”

5.12.94: Audit had objected to the payment of 2 inch thick mosaic flooring instead of 1½ Inch provided in the agreement and also to the payment of market rates instead of the derived rates from CSR. The Department contended that the change of thickness from 1½ Inch to 2 Inch was technically sound. Moreover, the composite rates approved by the Competent Authority had been paid according to the provision of sanctioned estimate. The Public Accounts Committee directed that the para may be referred to the Standing Rates Committee. The Administrative Department would make reference to the SRC. in this respect. The Standing Rates Committee might decide the issue within a month. The para was kept pending.

12.12.98: The Department explained that case had been referred to the Standing Rates Committee for decision which was awaited. The PAC directed the Department to obtain the decision of the Standing Rates Committee within three months. The PAC also observed that the Standing Rates Committee might finalize the case within the stipulated period. **The para was kept pending.**

20. Para I-20: Page 39 – Overpayment to Various Contractors Rs.86,800

Audit had observed: “Payment for providing & laying precast/prestressed R.C.C. roofs, was made for the area in excess of the area of dismantled roofs, which resulted in an overpayment of Rs.86,800 to various contractors in January and March 1989.”

12.12.98: The consideration of **this para was deferred** with the directive that the Chief Engineer concerned should check the position at site and report.

21. Para I-21: Page 39 – Overpayment to a Contractor due to Incorrect Rate Rs.14,600

Audit had observed: “Payment for providing and laying G.I. Pipe 4” dia was made at the incorrect rate of Rs.56.75 per rft instead of the correct rate of Rs.51.70 per rft. As per C.S.R 1979, which resulted in an overpayment of Rs.14,600 to a contractor in March, 1989. ”

12.12.98: The Department explained that during the execution of work the contractor firm completed an item of work “providing and laying 4” dia G.I. Pipe lines with flanged jointing in the trenches and the same was paid @ Rs.56.75. The flanged jointing pipes were used according to the demand of location and situation after due consideration by the Engineer incharge to resist the pressure of water turbine working in the same building where the work had been done. Therefore, no excess payment was involved. The PAC accepted the explanation and **the para was settled.**

22. Para I-22: Page 39-40 – Excess Payment to a Contractor as Premium Rs.9,900

Audit had observed: “The premium on C.S.R 1979 relating to items of buildings of a contract, was paid for items of Public Health and Roads for which lesser premium was payable to the contractor according to the same contract. This resulted in an overpayment of Rs.9,900 to a contractor.”

4.3.93: The recovery had been effected and verified. **The para was settled.**

23. Para I-23: Page 40 – Excess Payment to Certain Contractors Rs.10,500

Audit had observed: “Payment for brick ballasts used under floors was made at higher rate of the same item meant for foundation & plinth instead of the lesser rate meant for floors which resulted in an overpayment of Rs. 10,500 to certain contractors in June, 1988 and February, 1989.”

4.3.93: The recovery of the amount involved had been effected and verified. **The para was settled.**

24. Para I-24: Page 40 – Overpayment to the Contractors due to Incorrect Rates Rs.152,600

Audit had observed: “ Payment of R.C.C. in core wall and wet sinking of well was made at incorrect rates, which resulted in an overpayment of Rs.152,600 to the contractors.”

5.12.94: Full recovery had been verified by Audit. The Department also explained that disciplinary proceedings had been initiated against the officer/officials responsible for overpayment. The para was settled subject to finalization of disciplinary proceedings within three months.

12.12.98: The Department explained that disciplinary action against the defaulters had been completed by stopping their one annual increment. The PAC accepted the explanation and **the para was settled.**

25. Para 1-25: Page 40-41 – Excess Payment to a Contractor Rs.37,011

Audit had observed: “Deduction of surplus earth obtained from excavation of foundation of a building, was not made from the total quantity used in floors and paid as brought from outside which resulted in overpayment of Rs.37,011 to the contractor.”

4.3.93: The Public Accounts Committee directed the Department to recover the excess payment involved. The para was kept pending.

8.5.95: The Department explained that the balance recovery of Rs.24,677 had been made on 4-5-1995. **The para was settled** subject to verification by Audit.

26. Para II-1: Page 43 – Non-recovery of Old Dismantled Material from a Contractor Rs.102,785

Audit had observed: “Recovery of old dismantled material worth Rs.102,785 was not made in March, 1985 from a contractor.”

5.12.94: The Department explained that recovery of Rs.27,776 had been effected and verified. According to the probe conducted by the Superintending Engineer Gujranwala, the overall loss to the Government came to Rs.30,658. However, action against the officers/officials responsible for overpayment had been initiated. The para was kept pending for recovery and finalization of disciplinary proceedings within three months.

12.12.98: The Department explained that full amount had been recovered and verified by Audit and disciplinary action against the defaulters had also been taken. The PAC accepted the explanation and **the para was settled.**

27. Para II-2: Page 44 – Non-disposal of Dismantling Serviceable Material Rs.14,000

Audit had observed: “Dismantled serviceable material costing Rs.14,000 was neither disposed of through auction nor its cost recovered from the contractor.”

5.12.94: Full recovery had been verified by Audit. **The para was settled.**

28. Para III-I: Page 45 – Loss to Government Rs.19,500

Audit had observed: “94 sluice valves were installed in a water supply line in 1980. The line could not be put into operation for 2 years. In 1982 when it was operated, the sluice valves failed. 29 sluice valves out of 94 were re-used while 65 were declared unserviceable. It is evident that unserviceable valves costing Rs.19,500 (@ Rs. 300 per valves) were installed in 1980, which is a clear loss to Government.”

4.3.93: The Public Accounts Committee directed the Department that the recovery should be effected within two months. The para was kept pending.

8.5.95: The Department explained that the contracting firm had filed a Civil Suit against the recovery of Rs.19,500 and the next date of hearing was 16-5-1995. The Committee directed that the recovery be made from the contractor or the officers responsible for the loss. The para was kept pending.

12.12.98: The Department explained that PAC had directed on 8.5.95 that the recovery should be made either from the contractor or the officers concerned. The Department pursued the matter in the civil suit filed by the contractor but in vain as the decision was announced in favour of the contractor. As to the recovery from the officer, it was found that the concerned XEN had since been dismissed from service. The S.D.O. concerned had been retired eight years ago and the Sub Engineer concerned had also been dismissed. There was no alternative except to get the loss written off. **The PAC settled the para** subject to the write off sanction of loss by the Competent Authority.

29. Para III-2: Page 45 – Loss to Government Rs.11,700

Audit had observed: “79 lbs of bitumen and 9.70 cft bajri was used instead of the quantity of 67 lbs bitumen and 7.3 cft bajri specified in the construction of internal roads of a complex which resulted in an infructuous expenditure of Rs. 11700.”

4.3.93: The explanation of the Department was accepted, **the para was settled.**

30. Para III-3: Page 46 – Loss to Government Rs.113,838

Audit had observed: “Thermopore sheet in addition to the normal insulation was used on the roof of an office building and payment of Rs.113,838 was made to a contractor. The item was not technically approved by the Competent Authority while sanctioning the detailed estimate prepared on the basis of work done at site.”

4.3.95: The explanation of the Department was accepted. **The para was settled.**

31. Para III-4: Page 46 – Loss Due to Non-utilization of Available Earth Rs.13,822

Audit had observed: “A contractor was paid for 144,128 cft earth brought from outside for a building with 10 miles lead although a quantity of 14,833 cft. earth was already lying surplus from another work in the same premises. Had this quantity been utilized, Government would have saved Rs.13,822.”

5.12.94: The Department explained that the actual recoverable amount came to Rs.7,000. On the other hand a bill for Rs.20,000 of the contractor concerned was pending with the

Department for want of funds and the recovery would be made from the said bill. The departmental action had also been initiated against the officers/officials who had failed to get the recovery effected when the work was in progress and who released the security of the contractor without watching the Government interest. The para was kept pending for recovery and finalization of disciplinary action.

12.12.98: The Department explained that the entire amount had since been recovered and got verified by Audit. As to disciplinary action against the officer who failed to effect recovery when the work was in progress and who released the security of the contractor regardless of the outstanding recovery, an inquiry had been conducted but the inquiry officer exonerated the alleged defaulter in his report. **The PAC settled the para** subject to verification of record relating to inquiry proceedings.

32. Para III-5: Page 46-47 – Loss to Government due to Supply of Defective Material Rs.38,466

Audit had observed: “An agreement for the supply of electric ceiling fans was executed with a firm in April 1977. The firm supplied the material which was not accepted by the consignee, being defective. The firm received 95% payment i.e. Rs.38,466 on production of inspection certificate and Railway receipt as per terms of agreement. The consignment received by the consignee was sent back to the firm for replacement/removing defects. The material was neither replaced by the firm nor the defects were removed.”

4.3.93: The para was kept pending for an inquiry by the Administrative Secretary.

12.12.98: The Department explained that 104 ‘Okasia’ ceiling fans were arranged by the Industries Department (Director Industries Supply Wing) against the will of the Client Department. The Industries Department was informed in the very beginning that the ‘Okasia’ fan would not be accepted. The consignment was booked back to the supplier M/s. Okasia Ltd. The firm did not receive back the consignment and 104 fans remained in the lost property cell of the Lahore Railway Station. The matter remained under correspondence with the Industries Department and finally the Department agreed to take the material and check the same with joint Inspection of the Industry Department. A demurrage of Rs.4,518 was paid to the Railway Department. The Inspection Party declared the material as inserviceable. In most of the cases, parts of the fans were missing. The whole responsibility for the supply of defective/damaged material was on the Industries Department and that Department may be called for to explain before the PAC.

The PAC observed that according to the previous directive of PAC dated 4-3-93, the Administrative Secretary was directed to enquire into and the matter which had not been done. The non-compliance of the directive of PAC may be enquired into and the officer responsible may be proceeded against for disciplinary action. An inquiry with regard to the loss of Rs.38,466 may also conducted by the Administrative Secretary under intimation to PAC. **The para was kept pending.**

33. Para III-6: Page 47 – Overpayment to a Contractor due to Wrong provision in N.I.T Rs.50,000

Audit had observed: “Provision for payment of transportation charges was made in Notice Inviting Tender for a work which was incorrect, because it was against the orders issued by the Finance Department Government of the Punjab Memo No.OSD (Tech)TD-1-21/85, dated 27-8-1985. The wrong provision in N.I.T. resulted in overpayment of Rs.50,000 to a contractor.”

7.11.94: The Department explained that the recovery of Rs.50,000 had been made from the contractor. Moreover, the final bill of the contractor was passed in August, 1994. The Public Accounts Committee directed that the record of the recovery and final bill may be produced to Audit for verification within 15 days and action also be taken against the officers/officials responsible for overpayment.

Audit pointed out that this overpayment had resulted from payment of transportation charges for boring plant made in violation of instructions of the Finance Department. The Committee directed the Administrative Department to check and inform if there was any other case of overpayment on the basis of this misunderstanding. The para was kept pending.

5.12.94: The recovery of Rs.50,000 had been verified by Audit. The Department explained that overpayment had resulted due to lack of information regarding the admissibility of transportation charges of the boring plant etc. at the site of work. No malafide intention was involved. The explanation of the Department was accepted and **the para was settled.**

34. Para III-7: Page 47-48 – Loss to Government due to Higher Rate Rs.46,127

Audit had observed: “Bricks were used for sub-base of an internal road of a complex and payment to the contractor was made @ Rs.555.70 per % cft., whereas in the same premises during same period stone metal was being used for sub-base was another road by another contractor and payment was being made to him @ Rs.391.50 per % cft. Therefore, payment for using bricks in sub-base at a rate higher than the rate of stone metal resulted in a loss of Rs.46,127 to the Government, in addition to the fact that the inferior material was used.”

4.3.93: The explanation of the Department was accepted and **the para was settled.**

35. Para IV-1 (i): Page 49 – Infuctuous & Unjustified Expenditure Rs.57,100

Audit had observed: “Brick ballasts costing Rs.57,100 were used under floors of the first and subsequent storeys of the buildings which were not allowed according to specification. This resulted in an extra expenditure.”

4.3.93: The explanation of the Department was accepted and **the para was settled.**

36. Para IV-1(ii): Page 49 – Infuctuous and Unjustified Edpenditure Rs.57,100

Audit had observed: “Brick ballasts costing Rs.57,100 were used under floors of the first and subsequent storeys of the buildings which were not allowed according to specification. This resulted in an extra expenditure.”

5.12.94: Audit had objected to the use of brick ballasts under floors of the first and subsequent storeys of the building which were not allowed according to specification. The Department explained that the provision of brick ballasts was required for proper insulation sound proof for the lower floors. It was also pointed out that this item of work was provided in all the Government Departments, besides the Punjab Buildings Department. This technical explanation of the Department was accepted and **the para was settled.**

37. Para IV-2(i) (ii): Page 49-50 – Extra Expenditure on Construction Material Rs.82,900

Audit had observed: “Brick ballasts costing Rs.82,900 used under floors of first and subsequent storeys of the buildings which were not allowed according to specification. Therefore, extra expenditure was incurred.”

4.3.93: The contention of the Department was accepted, therefore, **the para was settled.**

Annexure Paras

38. Para 18(2)(i)(iii)(1954-55): Page 229 – Serial 6, Non-recovery of Rent of Government Buildings Rs.116,605

4.3.93: The Department stated that a substantial amount on account of rent due from the officials occupying the Government residential buildings had been recovered. Where the amount rendered was irrecoverable the same would be got written off. The para was settled, subject to write off.

7.11.94: The Committee was informed that recovery of Rs.7,320 had been made and verified by the Audit. The para was settled.

8.5.95: The Department explained that the outstanding balance of Rs.26,424.44, being irrecoverable had been written off on 30-4-1995. The para was settled.

12.12.98: The Department explained that recovery of balance amount of Rs. 65,275 pertained to the period prior to 1954 and therefore, recovery of the same was not possible at this belated stage. The PAC accepted the explanation and **the para was settled.**

39. Annexure 2(1958-59): Page 229 – Serial 9, Excess Payment Rs.574,318

7.11.94: The Committee directed that the recovery/write off sanction be got verified by

Audit, and the latest position may be explained, in the working paper for the next meeting.

12.12.98: The Department explained that as a result of an inquiry the amount of para had been enhanced from Rs.229,100 to Rs.1,255,440. Out of the said amount of Rs.1,255,440 write off sanction for a sum of Rs.623,162 had been accorded. The amount of Rs.164,405 appearing outstanding in contractor's ledger was probed into by the S.E. Ist Building Division who concluded that no record for the said amount traceable. Therefore, recovery was not possible. An amount of Rs.389,361 had been declared recoverable from various officers/officials by the inquiry officer. The SE concerned had intimated that inquiry report conducted by the Deputy Chief Engineer Peshawar was not traceable despite a thorough search of the record. The matter relating to balance amount of Rs.78,508 was settled by the Sub Committee of Adhoc PAC on 4-9-84. The PAC considered the explanation and **settled the para** with the direction that this decision may not be quoted as precedent in similar cases in future.

40. Para 17 (a) 4 (5)(1959-60): Page 229 – Serial 10, Misappropriation of Store Rs.18,065

12.12.98: The Department explained that a detailed inquiry had been conducted and it was found that all the persons alleged to be responsible for the loss had been retired from service. The relevant record was also not available completely and it would be mere loss of time and money to pursue the case further for the said recovery. The PAC accepted the explanation and **settled the para** with the condition that this decision should not be quoted as precedent in other such cases in future.

41. Para 5 (i)(1961-62): Page 229 – Serial 12, Misappropriation of Stores Rs.44,975

12.12.98: The Department explained that the case regarding write off sanction was under process in the Finance Department. **The PAC settled the para** subject to write off sanction of the loss.

42. Para 17 (a)22(1961-62): Page 229 – Serial 13, Non-recovery of Cost of Material Rs.55,994

12.12.98: The Department explained that recovery at this belated stage was impossible as the XEN, S.D.O. and the Sub Engineer concerned had been retired from service and the Accountant and contractor concerned had been expired. In view of this position, pursuance of the said recovery would be mere loss of time and money. The PAC accepted the explanation and **the para was settled.**

43. Para 28-5(i)(1961-62): Page 230 – Serial 18, Shortage of Stores Rs.22,789

12.12.98: The Department explained that the write off sanction of the balance amount of Rs.12,670 had been accorded by the Finance Department. The PAC accepted the explanation and **the para was settled.**

44. Para 23 (4)(1963-64): Page 230 – Serial 19, Shortage of Store Rs.211,516

12.12.98: The Department explained that a case for write off sanction of the balance amount of Rs.211,616 had been moved to the Finance Department and the said write off sanction was awaited.

The PAC kept the para pending for the write off sanction of Rs. 211,616 by the Finance Department within three months. The PAC also directed the Finance Department to finalize all such cases within shortest possible time.

45. Para 23 (12)(1963-64): Page 230 – Serial 20, Misappropriation of Store Rs.25,534

12.12.98: The Department explained that the case regarding the write off sanction was under process in the Finance Department. **The PAC settled the para** subject to the write off sanction of loss.

46. Para 41(7)(1965-66): Page 230 – Serial 24, Non-recovery of Government Dues Rs.33,868

4.3.93: It was explained that an amount of Rs.55,370 had been recovered and got verified. The amount of Rs.12,578 due from late Mr. Munawar Ahmad had been written off. Recovery of Rs.36,359 was being recovered as arrears of land revenue from late Mr. Allah Ditta, and in the event of non-recovery the amount involved would be got written off. Subject to recovery/write off and its verification by Audit, the para was settled.

8.5.95: The Department explained that the write off case was referred to the Finance Department, who had returned the case with the remarks that all cases be sent in consolidated form. The Public Accounts Committee was of the view that each case had to be decided on its own merits and directed that the Finance Department may decide the case within two months. The para was kept pending.

12.12.98: The Department explained that the amount of the para had been reduced to Rs.36,359. The recovery of the balance amount was not possible due to the death of concerned contractor. Therefore, a case for the grant of write off sanction was referred to the Finance Department. The decision of the Finance Department was awaited. **The PAC settled the para** subject to the write off sanction of the balance amount by the Finance Department.

47. Para 42 (vii)(1965-66): Page 230 – Serial 25, Shortage of Store Rs 82,797

12.12.98: The Department explained that write off sanction of the loss of Rs. 81,885 had since been accorded by the Secretary Communications & Works. The PAC accepted the explanation and **the para was settled.**

48. Para 50(1966-67): Page 230 – Serial 28, Loss to Government Rs.12,000

9.3.95: The amount being non-recoverable had been written off by the Competent

Authority on 22.8.1993. **The para was settled.**

49. Para 27(1968-69): Page 230 – Serial 32, Non-recovery Rs.7,981

12.12.98: The Department explained that full recovery had since been made and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

50. Para 31(1968-69): Page 230 – Serial 34, Loss to Government Rs.37,520

12.12.98: The Department explained that the amount of loss of Rs. 37,502 had since been got written off by the Finance Department and necessary adjustment in the Divisional Accounts had also been made and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

51. Para 7(1972-73): Page 231 – Serial 36, Non-accountal of Store Rs.199,245

12.12.98: The Department explained that consumption of material worth Rs.64,169 and write off sanction of Rs.1,992 had been got verified by Audit. The PAC accepted the explanation and **the para was settled.**

52. Para 6(ii)(1979-80): Page 231 – Serial 41, Loss to Government Rs.91,350

4.3.93: (i) Store issued on different works Rs.6,225

Subject to verification by Audit, **the above item was settled.**

(ii) Store serviceable and surplus for the requirement of the Department
Rs.11,665.

(iii) Store repairable for Rs.29,300

(iv) Store inserviceable Rs.2,325

(vi) Amount got verified by Audit Rs.17,285

The explanation of the Department was accepted and **the item No.II, III, IV and VI were settled.**

(v) Store inserviceable Rs.59,630

The explanation of the Department was accepted and the above item was settled subject to verification by Audit.

8.5.95: The Department was directed to get the write off case for Rs.59,630 be decided within two months. This part was kept pending. Other parts, having been verified by Audit were settled.

12.12.98: The Department explained that the para was reduced to Rs.59,630 and a case for the write off sanction of the said balance amount had been sent to the Finance Department where it was under process. **The PAC settled the para** subject to the write off sanction of the

balance amount of Rs.59,630.

53. Para 11(i)(1980-81): Page 231 – Serial 42, Loss to Government Rs.14,561

12.12.98: The Department explained that S.E. 2nd Provincial Buildings Circle, Lahore had probed into the matter as to who was responsible for not producing the estimate to Audit for verification. After perusal of the relevant record, the said officer concluded that no body could be held responsible at this belated stage. The PAC accepted the explanation and **the para was settled.**

54. Para 11(2)(1981-82): Page 231 – Serial 43, Overpayment Rs.8,679

12.12.98: The Department explained that extra rate for chamfering of bricks was paid in view of the actual work involved at site. The PAC accepted the explanation and **the para was settled.**

55. Para 8(i)(1982-83): Page 231 – Serial 44, Misappropriation of Store Rs.52,276

12.12.98: The Department explained that M/s. M.A. Kareem S.D.O, Mian Fazal Elahi, S.D. O and G.M. Qazi S.D.O. were responsible for non-accountal/ misappropriation of material worth Rs.52,276. M/s. M.A. Kareem and Mian Fazal Elahi had since expired and Mr. G.M. Qazi had been retired since long, therefore, neither any recovery was possible nor the accountal of the material could be traced. The PAC directed to move a case for the write off sanction of the loss by the Competent Authority and **the para was kept pending.**

56. Para 10(2)(1982-83): Page 231 – Serial 45, Misappropriation of Store Rs.12,087

9.3.95: The para was settled subject to write off sanction by the Finance Department within one month, and intimation of the same to the Public Accounts Committee.

12.12.98: The Department explained that write off sanction of the loss of Rs.12,087 had been obtained. The PAC accepted the explanation and **the para was settled.**

57. Para 11(i)(1982-83): Page 231 – Serial 46, Loss to Government Rs.289,286

4.3.93: The para was settled, subject to the book adjustment and its verification by Audit.

8.5.95: The Department explained that Rs.289,286 had been incurred on the maintenance and repairs of vehicles which were transferred to the Highways Department on the bifurcation of B&R Department in 9/76. The Public Accounts Committee directed to complete the action towards the adjustment of amount involved within two months. The para was kept pending.

12.12.98: The Department explained that sanction for a sum of Rs. 289,28 was conveyed to the Chief Engineer (South) for adjustment of charges for running and maintenance of vehicles & machinery by credit to the Provincial Building Division D.G. Khan. The bill of the said amount was prepared by the Highways Department and submitted to D.A.O, D.G. Khan for carrying out necessary adjustment. Unfortunately the amount was not adjusted by the D.A.

O and thus the sanction lapsed. The matter for revalidation of the sanction was taken up with the Finance Department. The Finance Department promised to revalidate the sanction. The same was still awaited and on receipt of the amount action regarding adjustment would be completed. **The PAC settled the para** subject to adjustment of amount involved as directed by PAC on 8.5.95.

58. Para 11(3)(1982-83): Page 231 – Serial 47, Un-authorized Payment Rs.65,151

9.3.95: The recovery had been made from the contractor and verified by Audit. **The para was settled.**

59. Para 11(4)(1982-83): Page 231 – Serial 48, Loss to Government Rs.35,532

9.3.95: The Public Accounts Committee directed the Department to complete the requisite adjustment within 30 days. The para was kept pending till completion of adjustment.

12.12.98: The Department explained that relevant record being old one was not traceable. Therefore, the adjustment of the amount could not be made. The Committee took lenient view and accepted the explanation of the Department. **The para was settled.**

60. Para 11 (7)(1982-83): Page 231 – Serial 49, Loss to Government Rs.6,147

4.3.93: The balance recovery had been effected. **The para was settled.**

61. Para 14(4)(1982-83): Page 231 – Serial 50, Loss to Government Rs.25,506

12.12.98: The Department explained that in compliance with the previous directive of the PAC the case had been sent to the Finance Department for write off sanction, who referred the case back with the remarks that the amount involved be recovered. Strenuous efforts were made for recovery, but the concerned person Mr. M.A. Farooqi replied that the responsibility for the loss could not be fixed upon him as he had since been retired from service 17 years ago. Therefore, recovery was impossible at this stage. **The PAC settled the para** subject to write off sanction by the Finance Department.

62. Para 15 (6)(1983-84): Page 231 – Serial 51, Non-recovery Rs.28,764

12.12.98: The Department explained that the case had been referred to the Deputy Commissioner Gujranwala for the recovery of Rs.28,764 as arrears of land revenue.

The PAC directed the Department to pursue the recovery vigorously as arrears of land revenue so that the same could be finalized at the earliest. **The para was kept pending.**

63. Para 16(6)(1983-84): Page 231 – Serial 52, Misappropriation of Stores Rs.22,100

12.12.98: The Department explained that write off sanction of Rs.22,068 had been accorded and got verified by Audit. The PAC accepted the explanation and **settled the para.**

64. Para 16(5)(1983-84): Page 231 – Serial 53, Misappropriation of Store Rs.7,953

2.12.98: The Department explained that write off sanction of Rs.6,452 had been accorded by the Competent Authority. Funds to adjust the said write off sanction of Rs.6,452 were awaited from the Finance Department and on receipt of funds the adjustment would be carried out. Anyhow, the matter might be treated as closed as the write off sanction had been accorded. The PAC accepted the explanation and **the para was settled.**

65. Para 22(1983-84): Page 231 – Serial 54, Non-accountal of Store Rs.10,806

12.12.98: The Department explained that the material had been received back from the Anti-Corruption Department after an inquiry held in 6/63. The Department had been bifurcated in 9/67 and the Provincial Building Division had been declared as the successor agency of the Public Health Engineering Sub Division Jhelum. The original record regarding the latest position of this para had been misplaced during the change of charge and record. As the relevant record was not available therefore, the accountal of the store could not be ascertained at this belated stage, i.e. after period of about thirty five years. The PAC after due consideration of position decided **to settle the para** as a special case with the directive that the decision may not be quoted as a precedent.

Highways Department

66. Para I-1: Page 53 – Overpayment to a Contractor Rs.10,400

Audit had observed: “40800 cft earth was filled for embankment while no earth was required at R.D. 155-166 as per X-section of these reaches tabulated in the detailed estimate. This resulted, in an over payment of Rs.10,400 to a contractor.”

8.11.94: The Department contended that no excess payment was involved in this case. The Public Accounts Committee directed that the record in support of departmental contention may be produced to Audit for verification within 15 days. The para was kept pending.

5.12.94: Audit pointed out that after verification of record only the amount of Rs.3,424 was found to have been paid in excess. The Administrative Department explained that the amount pointed out by Audit related to other work. The explanation of the Department was accepted and **the para was settled.**

67. Para I-2: Page 53 – Overpayment to a Contractor due to a Higher Rates Rs.73,000

Audit had observed: “Paid higher rates of Rs. 458.14,334.82 and 393.07 per % 0 cft. (earthwork) than that of the agreed rate of Rs.222 per %0 cft. for earth work in all kinds of soil for embankment etc. This resulted in an overpayment of Rs.73,000 to a contractor.”

8.11.94: The Committee directed that the record to prove the contention of the Department may be shown to Audit for verification within 15 days. The para was kept pending.

5.12.94: The Administrative Department contended that payments for soil and rock separately had been correctly made according to the provisions of CSR and specification. The Committee decided that the ambiguity in the application of rates for all account of soil as pointed out by Audit may be referred to the Standing Rates Committee for implementation in future. The Committee felt inclined to accept the explanation of the Department in this particular case and **settled the para** with the observation that this decision would not be quoted as precedent in other cases.

68. Para I-3: Page 53-54 – Overpayment to a Contractor Rs.24,000

Audit had observed: “ Payment was made to a contractor for 4668105 cft. earth for embankment of a metalled road against the provision of 4569864 cft. in the X-section attached with the sanctioned estimate. The excess quantity of 98241 cft. resulted in an overpayment of Rs.24,000 to a contractor.”

3.3.93: The explanation of the Department was accepted and **the para was settled.**

69. Para I-4: Page 54 – Excess Payment to a Contractor Rs.120,000

Audit had observed: “249049 cft. surplus excavated earth was utilized by the Contractor in a road work but it was paid as brought from outside source, resulting in an overpayment of Rs.1,20,000.”

8.11.94: The Department contended that the payment to the contractor had been made according to the rates analysis approved by the Superintending Engineer who was competent to sanction non-schedule rates. The Public Accounts Committee upheld the contention of the Audit Department and observed that the payment of Rs.120,000 was not justified. The Committee directed that the overpayment may be recovered within 3 months. Moreover, the contractor may be blacklisted. The para was kept pending.

5-12-94: The Department explained that the actual recovery had been worked out to Rs.87,416.19 and the same had been made. The para was settled subject to verification of recovery by the Audit.

9.3.95: Entire amount of Rs.120,000 was recovered and verified by Audit. **The para was settled.**

70. Para I-5: Page 54 – Excess Payment to Contractor due to Non-deduction of 2% Camber Rs.23,000

Audit had observed: “An excess payment of Rs.23,000 was made to a contractor due to non-deduction of 2% camber (56501 cft) and also the quantity of earth (26219 cft), obtained from the excavation of road structure.”

8.11.94: The Chief Engineer conceded to Audit observation that Rs. 23,000 had been overpaid to the contractor. The Public Accounts Committee directed that recovery be made within two months and disciplinary action should also be taken against the officer/official found responsible for the overpayment. Provided that if the recovery was made within two months then no further action may be taken.

5.12.94: In the previous meeting held on 8.11.1994 the Chief Engineer had conceded to Audit observation for Rs.23,000 had been overpaid to the contractor. The Public Accounts Committee reiterated its previous decision that the recovery should be made within two months and disciplinary action should also be taken against the officers/officials found responsible for the overpayment. Provided that if the recovery was made within two months, then no further action was required. The para was kept pending.

9.3.95: As the amount had been recovered, **the para was settled.**

71. Para I-6: Page 55 – Excess Payment to a Contractor due to Difference in Rate of Premium Rs.21,000

Audit had observed: “Excess payment amounting to Rs.21,000 was made to a contractor due to difference in rate of premium of a left over work let out to an other contractor at the risk and cost of the original contractor.”

8.11.94: The Public Accounts Committee directed the Department to produce the record in support of its contention to Audit for verification within 15 days. The para was kept pending.

5.12.94: In the previous meeting held on 8.11.1994, the Public Accounts Committee had directed the Department to produce the relevant record in support of its contention to Audit for verification within 15 days. The Committee allowed another 15 days for implementation of its decision dated 8.11.1994. The para was kept pending.

9.3.95: The Department was directed to produce the relevant record after 10 days i.e. by 19.3.1995 to Audit for verification. The para was kept pending.

12.12.98: The Department explained that final bill of the contractor had been paid and recovery had been effected therefrom. The PAC **settled the para** subject to verification of relevant record by Audit.

72. Para I-7: Page 55 – Excess Payment to a Contractor Rs.27,861

Audit had observed: “An overpayment of Rs.27,861 was made to a contractor on account of carriage of bitumen from Refinery at Karachi to Karachi Railway Station, allowing extra payment on account of unnecessary loading and un-loading at temporary store near Railway Station, Karachi without any justification as the carriage was done on the same date from Refinery and also from Karachi Railway Station.”

8.11.94: The Committee directed that the relevant record may be shown to Audit for verification of the factual position as contended by the Department, within 15 days. The para was kept pending.

5.12.94: The Administrative Department explained that the consignment of carriage from refinery to store and then from store to railway station was provided in an agreement but was omitted in the Letter of Acceptance due to typographical error. The Department further contended that there was no instance of carriage of some bitumen from refinery to store and then from store to railway station on the same day. Audit pointed out that the figures provided in the working paper for 5.12.1994 differed from the figures provided in the working paper for 8.11.1994. The Department was directed to get the figures reconciled with Audit within 15 days. The para was kept pending.

9.3.95: As no malafide intention was established in the handling/transportation of bitumen from refinery to store to railway station, the Public Accounts Committee **settled the para.**

73. Para I-8: Page 55-56 – Excess Payment to Contractor due to Application of Incorrect Rate Rs.23,000

Audit had observed: “An overpayment of Rs.23,000 was made to a contractor on account of application of incorrect rate of Rs.878.70 per % cft. instead of Rs.842.50 per % cft. for the item of work coursed rubble masonry hammer dressed in cement sand 1:4. ”

3.3.93: The Administrative Secretary assured the Committee that the recovery would be effected from the final bill of the contractor. Hence **the para was settled** subject to verification of final bill by the Audit.

74. Para I-9: Page 56 – Excess Payment to a Contractor due to Rate Higher than the Tendered Rate Rs.81,456

Audit had observed: “Payment was made to a contractor at the rate higher than the tendered rate which resulted in an overpayment of Rs.81,456 .”

8.11.94: The Public Accounts Committee directed that record to substantiate the departmental contention may be shown to Audit for verification within 15 days. The para was kept pending.

5.12.94: The Department was allowed further 15 days for implementation of the previous Public Accounts Committee directive dated 8.11.1994.

9.3.95: The Committee upheld the latest Audit Comments, that the whole payment of Rs.418,803 which was not covered by the Technical Sanction was unjustified. The Committee directed that it should be straight away recovered from the Superintending Engineer and the XEN concerned within 15 days. The para was kept pending for recovery.

12.12.98: The Department explained that originally the amount of the para was Rs.81,456 and later on the said amount was enhanced to the tune of Rs.418,803 due to involvement of difference of item rates. The Department further informed the Committee that revised T.S. worth Rs.1,978,727 had been administratively approved.

The Audit pointed out that payment was made at the rate higher than the tendered rates. The PAC was not satisfied with the explanation of the Department and directed that revised T.S. and administrative approval may be got verified by Audit. **The para was settled** subject to said verification.

75. Para I-10: Page 56 – Overpayment to a Contractors Rs.55,148

Audit had observed: “Full quantity of crust and earth available from the foundation of structures, was not deducted from the quantity of earth work for making embankment of the roads. This resulted in an excess payment of Rs.55,148 to the contractor in August 1985 and January 1986.”

8.11.94: The Department explained that full recovery had been made. The Public Accounts Committee directed that the recovery be got verified by Audit within 15 days. The para was kept pending.

5.12.94: Audit pointed out that after verification of record the excess payment had been calculated to Rs.22,143. Recovery of Rs.5,527 had been made and verified. The para was settled subject to recovery of the balance amount and its verification by Audit.

9.3.95: The para was settled subject to record verification by Audit.

12.12.98: The Department explained that relevant record regarding balance recovery of Rs.16,617 (12,353+4,264) had been produced to Audit for verification. Recovery amounting to Rs.4,264 had been accepted by Audit leaving a balance of Rs.12,353. The balance recovery had also been effected and would be incorporated in the monthly account. The PAC accepted the explanation and **the para was settled.**

76. Para I-11: Page 56-57 – Overpayment to a Contractor on Account of Allowing Excessive Rate Rs.11,147

Audit had observed: “An excess payment of Rs. 11,147 was made to a contractor on account of allowing excessive rate of Rs.805 per cft., instead of Rs.772.52 per % cft., for the carriage of stone.”

3.3.93: The contention of the Department was accepted by the Committee. **The para was settled** subject to verification by Audit.

77. Para I-12: Page 57 – Overpayment to a Contractor Rs.43,321

Audit had observed: “The estimate for widening of a road contained a provision of 98287 cft. of earth calculated on the basis of X-sections. The payment was made for 290825 cft. resulting in overpayment of Rs.43,321 to a contractor.”

3.3.93: As the recovery had been effected/adjusted and got verified by Audit, **the para was settled.**

78. Para II-1: Page 58 – Non-recovery of Government Dues from the Contractors on Account of Hire Charges of Government Machinery Rs. 91,225

Audit had observed: “Recovery of Rs.376,660 on account of hire charges of Government machinery was required to be made from contractors but only a sum of Rs.285,435 was recovered. The balance amount of Rs.91,225 was still recoverable from the contractors.”

8.11.94: The Department explained that the balance recovery of Rs.91,224.86 had been made. The PAC directed that the recovery be got verified by Audit within 15 days. The para was kept pending.

5.12.94: Audit had verified recovery of Rs.67,729. The para was settled subject to verification of the balance recovery about the adjustment by Audit.

9.3.95: The Audit Department verified recovery of Rs.67,729. **The para was settled.**

79. Para II-2: Page 58 – Non-recovery of Government Dues from a Contractor Rs.36,693

Audit had observed: “9.50 M.T. bitumen costing Rs.36,693 was issued to a contractor for use on a work but the cost thereof was not recovered which resulted in a loss to the Government.”

8.11.94: The Audit Department pointed out that the monthly account submitted to Audit contained overwriting and thus it was a case of tampering of record. The PAC observed that tampering of record was a criminal offence and directed that disciplinary proceedings as well as criminal action may be taken against the persons found responsible for it. A preliminary inquiry may be held within 15 days. The para was kept pending.

5.12.94: The Administrative Department explained that the amount related to the bitumen issued to the contractor, but the contractor failed to start the work and the bitumen was received back from him and was properly taken on Stock Register. As for tempering of record pointed out by Audit, the Department explained that it was merely a correction of Head of

Account and no malafide intention was involved. The explanation of the Department was accepted and **the para was settled.**

80. Para II-3: Page 59 – Non-recovery of Government Dues from a Contractor on Account of Hire Charges of a Road Roller Rs.23,012

Audit had observed: “Recovery of Rs.23,012 on account of hire charges of road roller was not made from a contractor.”

3.3.93: The recovery on account of hire charges of road roller had been verified by Audit. **The para was settled.**

81. Para II-4: Page 59 – Non-recovery of Government Dues from the Pakistan Railways Rs.500,000

Audit had observed: “Advance payment of Rs.500,000 was made to Pakistan Railways for construction of a manned level crossing and the amount was directly charged to work. Since no work was executed at site, the amount was required to have been kept in the Miscellaneous P.W. Advances as recoverable from Railway.”

3.3.93: The relevant documents/vouched account were produced to Audit and verified accordingly. **The para was settled.**

82. Para II-5: Page 59-60 – Non-recovery of Government Dues from a Contractor Rs.96,400

Audit had observed: “964 empty tar drums were required to be returned by the contractor as per agreement but this was neither done nor the recovery of Rs.96,400 at the penal rate of Rs.100 per empty tar drum (recovery of which was to be made in case of non-return of drums by the contractor) was made.”

3.3.93: In view of the Department’s reply, **the para was settled** subject to verification by Audit.

83. Para II-6: Page 60 – Non-recovery of Government Dues from the Contractors Rs.94,800

Audit had observed: “948 empty tar drums were required to be returned by the contractors as per their agreements but this was not done nor the amount of Rs. 94,800 at the penal rate of Rs. 100 per empty tar drum (required to be made in case of non return of drums by the contractors’) was recovered.”

3.3.93: The Public Accounts Committee directed the Department to get the record verified by Audit. The para was kept pending.

8.5.95: As the recovery had been effected, **the para was settled.**

84. Para II-7: Page 60 – Non-recovery of Hire and Crew Charges from the Contractor Rs.17,700

Audit had observed: “Hire charges of a road roller and crew charges amounting to Rs.17,700 were not recovered from a contractor for the period from May, 1986 to July, 1986 as required under the contract agreement.”

3.3.93: The recovery had been made and verified by Audit. **The para was settled.**

85. Para II-8: Page 60-61 – Non-recovery of Government Dues from a Contractor Rs.512,000

Audit had observed: “Recovery on account of cost of bitumen amounting to Rs.512,000 issued to a contractor was not made.”

8.11.94: The Public Accounts Committee directed the Department to produce the record in support of its contention to Audit for verification within 15 days. The para was kept pending.

5.12.94: The Committee allowed another 15 days to the Administrative Department for getting the recovery and record, in support of its contention, and verified by Audit. The para was settled subject to verification.

9.3.95: The Department was directed to supply the record i.e. record of left over bitumen and its account in the Department and record may be produced to Audit by 19.3.1995 for verification. The para was kept pending.

12.12.98: The Department explained that left over quantity of 7.5 M.Tons bitumen costing Rs.33,678 had been got verified by Audit as directed by the PAC on 9.3.95. The PAC accepted the explanation and **the para was settled.**

86. Para II-9: Page 61 – Non-recovery of Government Dues from a Contractor Rs.140,000

Audit had observed: “The contract of a contractor was rescinded by forfeiting his security deposit but recovery on account of the cost of bitumen and empty tar drums was not made and thus the Government was put to a loss of Rs. 140,000.”

8.11.94: The Administrative Department conceded that recovery of Rs.126,000 was due from the contractors. Audit pointed out that the bill had not been finalized for the last five years. The Public Accounts Committee directed that responsibility for not taking action for the last five years may be fixed and disciplinary action taken accordingly. The progress of recovery and disciplinary action may be reported to the Committee in the next meeting.

5.12.94: The Public Accounts Committee reiterated its previous decision dated 8.11.1994. The para was kept pending for finalization of recovery and disciplinary proceedings within

three months.

9.3.95: The Department explained that disciplinary action was underway and after its completion the possibility of recovery could be materialized. The Public Accounts Committee directed the Department to complete the disciplinary action by 30th June, 1995 and result be intimated to the Public Accounts Committee but this would be the last chance and no further extension in time limit would be allowed. The para was kept pending.

12.12.98: The Department explained that disciplinary proceedings against the persons at fault had been initiated by the Department as directed by the PAC on 9.3.95. The PAC was not satisfied with the explanation as the said action was to be completed by 30-6-95 as directed on 9-3-95 but no action had been taken despite the lapse of three years. The PAC directed the Department to complete the inquiry, fix the responsibility and action be taken against the defaulter within three months positively. **The para was kept pending.**

87. Para II-10: Page 61 – Non-recovery of Hire Charges of the Departmental Machinery from a Contractor Rs.106,000

Audit had observed: “A recovery of Rs.106,000 on account of hire charges of the departmental machinery given to the contractors for use on works was not effected from them in contravention of provisions of their contract agreements.”

8.11.94: The Committee directed that the record of recovery of Rs. 73,584 stated to have been made, may be got verified from Audit and the balance amount may also be recovered immediately. It was further directed that the Compliance Report be presented in the next meeting.

5.12.94: The Committee reiterated its previous decision dated 8.11.1994 and allowed one month’s time for finalization of the recovery. The para was kept pending.

9.3.95: The Department explained that total recovery of Rs.106,000 had been made and was shown to Audit in the meeting. **The para was settled.**

88. Para II-11: Page 61-62 – Non-recovery of Hire Charges of Departmental Machinery from a Contractor Rs.18,000

Audit had observed: “Hire charges amounting to Rs. 18,000 of departmental machinery given to a contractor, were less recovered from him”

8.11.94: The amount related to the hire charges of the machinery given to a contractor had been recovered from him. The Committee directed that the Department should issue a circular to all its lower formations giving instructions that in future timely action should be taken for such outstanding recoveries/dues and overpayment from the contractor. The para was kept

pending for verification by Audit.

5.12.94: In compliance with the previous Public Accounts Committee directive dated 8.11.1994 the Department had issued a circular to all its lower formations that outstanding recoveries/dues and Overpayments from the contractor should be promptly effected failing which the officers responsible for not taking prompt action for the recoveries would be held responsible. The amounts of this para had been recovered and verified by Audit. **The para was settled.**

89. Para II-12: Page 62 – Non-recovery of Government Dues from a Contractor Rs.147,472

Audit had observed: “154.66 metric ton bitumen was issued to a contractor at the recovery rate of Rs.4100. plus 3 % storage charges but recovery was made from him at Rs3,400 plus 3% storage charges per metric ton. Recovery at the lesser rate per metric ton (4223-3502) thus caused a loss of Rs. 147,472 including interest thereupon to the Government.”

3.3.93: The Department stated that recovery of Rs.111,505.86 had been effected from the contractor’s security deposit and adjusted. The Public Accounts Committee recommended that disciplinary action against the official be taken and intimated accordingly. The para was settled.

12.12.98: The Department explained that full recovery had been effected and got verified by Audit. The disciplinary action against the officers/officials concerned was also under way. The PAC accepted the explanation and **the para was settled.**

90. Para II-13: Page 62 – Non-recovery of Hire Charges of a Dozer from a Contractor Rs.163,100

Audit had observed: “An amount of Rs.163,100 (on account of hire charges of a dozer deployed on a work in May 1988), was not recovered from a contractor. “

3.3.93: The Department stated that total recovery of Rs.163,100 had been effected from the Executives Engineer, Highways Division. **The para was settled.**

91. Para II-14: Page 63 – Non-recovery of Government Dues from a Contractor Rs.21,653

Audit had observed: “Payment of Rs.21,653 made to a contractor in June 1988, was declared as unjustified by the Superintending Engineer concerned which was not recovered from the Sub-Divisional Officer and Assistant Engineer responsible for the wrong payment.”

3.3.93: The para was settled subject to verification of record by Audit.

8.5.95: The record had been verified by Audit. **The para was settled.**

92. Para II-15: Page 63 – Non-recovery of Hire Charges of Government Machinery from

a Contractor Rs.141,000

Audit had observed: "Recovery of Rs.141,000 was required to be made from the contractors on account of hire charges of Government machinery."

3.3.93: The recovery had been effected and verified by Audit, **the para was settled.**

93. Para II-16: Page 63-64 – Non-recovery of P.O.L Charges from Various Offices/ Contractors Rs.47,500

Audit had observed: "Rs.47,500 were recoverable from various officers/contractors on account of P.O.L. charges. The matter was brought to the notice of the department in February, 1984."

3.3.93: As the total recovery had been effected and verified by Audit, **the para was settled.**

94. Para II-17: Page 64 – Non-recovery of Hire Charges from Contractors Rs.580,748

Audit had observed: "Government machinery was let out on hire to contractors and other sister divisions during the period 1986-87 and 1987-88 but hire charges amounting to Rs.580,748 (469369 + 111379) are still recoverable from the contractors and sister divisions respectively."

3.3.93: The matter of balance recovery was being looked into by the Department. The Public Accounts Committee directed the Department to submit report/complete action within two months. The para was kept pending.

8.5.95: The para was settled subject to verification of record by Audit on 28.5.1995.

12.12.98: The Department explained that total amount of Rs. 580,748 had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

95. Para II-18: Page 64 – Non-recovery of Secured Advance from a Contractor Rs.6.00 Million

Audit had observed: "A contractor was given a secured advance of Rs.6.00 Million before the acceptance of the tender which was contrary to rules in force. This tantamounts to giving an undue financial benefit to the contractor."

8.11.94: Audit had pointed out that a contractor was given secured advance of Rs.6.00 Million on 14.6.1988, while the work was allocated to him on 28-6-1988. However, the adjustment of the advance had been verified by Audit. The PAC observed that release of advance before allotment of work was a serious financial irregularity which tantamount to giving an undue financial benefit to the contractor. The Committee further observed that the irregularity had been done at the instance of the Chief Executive despite resistance of the departmental officers. The Committee therefore, felt inclined to accept the explanation of the Department and **settled the para.**

96. Para II-19: Page 64-65 – Non-recovery of Professional Tax from Certain Contractors Rs.40,000

Audit had observed: “Professional tax amounting to Rs. 40,000 was not recovered from certain contractors during 1986-87 as required under section 3 of the Punjab Finance Act. 1977.”

8.11.94: The Committee directed that the amount recovered may be got verified by the Audit and the balance recovery be expedited. The para was kept pending.

5.12.94: The Administrative Department explained that the whole amount had been recovered. **The para was settled** subject to verification of recovery by Audit.

97. Para II-20: Page 65 – Non-recovery of Lease Money from Various Contractors Rs.32,400

Audit had observed: “Recoveries from various contractors and lease money of Rs.32,400 were not recovered from various petrol pump owners for the period from July 1985 to June 1988.”

8.11.94: The Committee directed that the amount recovered may be got verified by Audit and the balance recovery be expedited. The para was kept pending.

5.12.94: The recovery of Rs. 12,600 had been verified by Audit. The Department was directed to get the balance recovery verified by the Audit. The para was settled subject to verification of recovery by Audit.

9.3.95: The Department was directed to get the record/recovery verified by Audit by 19.3.1995.

12.12.98: The Department explained that total amount of Rs.32,400 had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

98. Para II-21: Page 65 – Non-receipt of Material in Contravention of the Codal Rules Rs.25,544

Audit had observed: “Payment of Rs.25,544 was made to another division in June, 1980 without receipt of material in contravention of the codal rules. The material was not received despite lapse of several years.”

8.11.94: The Department explained that an inquiry into this matter had been held wherein a recovery of Rs.48,000 had been established. The Overseer at fault had also been punished under the Efficiency and Discipline Rules. The amount was being recovered in monthly installments from him. Rs. 25,000 had been recovered and Rs. 23,000 were outstanding. The PAC directed that recovery be got verified by Audit. The para was kept pending till full recovery and its verification.

5.12.94: The Department had explained that the recovery of Rs. 48,000 established after the departmental inquiry had been imposed on the officer concerned and was being recovered from him in monthly installments and the outstanding balance was Rs. 23,000 which would be recovered within two years. On the above assurance of the Administrative Department, the para was settled.

12.12.98: The Department explained that recovery of Rs. 48,000 had been established against Mr. Mushtaq Ahmad Sub-Engineer and the same amount had been recovered. **The PAC settled the para** subject to verification of recovery of Rs.48,000 by Audit.

99. Para II-22: Page 66 – Non-recovery of Compensation for Delay from a Contractor Rs.600,000

Audit had observed: “A contractor was awarded a work in July 1982 to be completed upto 29 May 1983. He failed to complete the work and also did not apply for extension within the specified period. The compensation for delay amounting to Rs.600,000 was also not recovered from him.”

3.3.93: The matter being subjudice, the para was kept pending.

8.5.95: The case was subjudice and therefore, the Public Accounts Committee directed that legal advisor of the Department should brief the Public Accounts Committee about the legal position of the case in the next meeting. The para was kept pending.

12.12.98: The Department explained that the matter was subjudice in the Lahore High Court Multan Bench. The PAC directed the Department to pursue the case in the court vigorously and **the para was kept pending.**

100. Para III-1: Page 67 – Loss to Government of Rs.132,677

Audit had observed: “Fictitious quantities were exhibited in the bid schedule for which higher rate was given by the lowest bidder and these were increased manifold and those for which lower rate was given by him drastically cut down with the result that the cost of work paid, was more than that which would have been paid at the rates of second lowest contractor. This resulted in a loss of Rs.132,677 upto May 1977.”

8.11.94: The para was referred to the Sub-Committee for detailed examination and report.

12.2.95 & 23.2.95 (Report of the Sub Committee): The Department explained that no loss had incurred to the Government because the security of the defaulting contractor amounting to Rs.95,461 had been forfeited. Moreover as a result of the departmental inquiry, the irregularity pointed out by Audit in this draft para was not substantiated but certain other irregularities had been found and the Executive Engineer and the S.D.O. concerned had been awarded punishment. However, on appeal in the Punjab Services Tribunal they were exonerated. Audit pointed out that the Department had all along been

avoiding to produce the relevant record to substantiate its contention. The Sub-Committee directed the Department that all the relevant record including the following may be produced to Audit for scrutiny and present its findings to the Public Accounts Committee within one month.

- a. PC-1/TS estimates (original/revised) ;
- b. DNIT, comparative statement/rejected tenders ;
- c. Contract agreement ;
- d. Final bills/measurement book showing recorded entries ;
- e. Correspondence for reassigning the work under clause 3-A of the agreement ;
- f. E. No.4 of 11/79 alongwith monthly accounts ;
- g. Deposit registers ;
- h. Record of the departmental proceedings and the inquiry report ; and
- i. Decision of the Tribunal.

The Department was warned that this would be the last and final chance for them to produce the record to Audit for scrutiny and if they had failed to do so the recovery should be made from the concerned officer/official. The para was kept pending.

12.12.98: The Department explained that a sum of Rs.106,000 had been recovered. The PAC **settled the para** subject to verification of relevant record supporting the recovery by Audit.

101. Para III-2: Page 67 – Loss to Government due to Shortage of Empty Tar Drums Rs.227,500

Audit had observed: “2275 Nos. empty tar drums costing Rs.227,500, were found short against a Sub-Engineer.”

3.3.93: The accountal/consumption of the empty drums had been verified. **The para was settled.**

102. Para III-3: Page 68 – Loss to Government due to Theft of Motor Grader Rs.700,000

Audit had observed: “A motor grader belonging to a Public Works Division was stolen and the Government had to suffer a loss of Rs.700,000 (the price of the grader). The loss was neither reported to Audit nor the amount placed under the suspense head Misc. P. W. Advances to watch the recovery.”

8.11.94: Audit pointed out the loss due to the theft of a Motor Grader. The Department explained that the case was subjudice in the court of special Judge Anti-Corruption, Lahore.

The Committee inquired as to what departmental action had been taken by the Department against the officials responsible for the theft. The Committee however, directed

that the record demanded by Audit may be produced to it for verification within 15 days. The para was kept pending.

5.12.94: The Department explained that the case regarding theft of Motor Grader was registered with the Police by the Incharge Sub-Engineer of Sheikhpura Highways Division against Mr. Muhammad Rafiq, Ex-Sub Engineer who had taken away the machinery unauthorizedly. The accused was arrested by the Police. He was immediately suspended as he was found involved in theft case. The case was pending in the Court of Special Judge Anti-corruption, Lahore. The next date of hearing had been fixed for 28.12.1994. The Public Accounts Committee observed with great regret and concern that the Department had shown high negligence in dealing with this case of misappropriation/theft. The Committee directed the Department to improve its system of handing/taking over of machinery and stores. The Committee directed the Department to produce to Audit all the record relating to this para including the record of departmental Proceedings and Inquiry, copy of the Challan Order of the Court of the last hearing. The para was kept pending.

9.3.95: The case being subjudice was kept pending. However, the Department was directed that the record of Departmental proceedings of inquiry and copies of the Court proceedings should be provided to Audit for scrutiny.

12.12.98: The Department explained that the accused Sub Engineer had been dismissed from Government service and the case had been further dealt with by the Anti-Corruption Department. **The para was kept pending** for finalization of case by the Anti-Corruption.

103. Para III-4: Page 68 – Loss to Government due to Non-auction of Empty Tar Drums Rs.62,300

Audit had observed: “Loss of Rs.62,300 on account of non-auction of empty tar drums was sustained by the Government.”

3.3.93: The Department stated that the full recovery has been made and verified by Audit. **The para was settled.**

104. Para IV-1: Page 69 – Infructuous and Unjustified Expenditure Rs.537,734

Audit had observed: “Excessive quantities of earth work embankment than those provided in the estimate technically sanctioned, were got executed by the contractor without structural change in the design and scope of work. The payment of Rs.537,734 was unauthorized.”

3.3.93: The Public Accounts Committee directed the Department to get the record verified by Audit. The para was kept pending.

8.5.95: The Department was directed to produce record on 28.5.1995 to Audit for verification. The para was kept pending for record verification by Audit.

12.12.98: The Department explained that payment for item of earth work was made to the contractor according to the provisions made in the revised Technical Sanction Estimate and was also within the Administrative Approval as well within the B.O.Q approved by the Competent Authority. As such there was no excess payment. The PAC accepted the explanation and **the para was settled.**

Annexure Paras

105. Para 17 (a) 3 (12)(1959-60): Page 232 – Serial 2, Misappropriation of Stores Rs.55,262

3.3.93: The write-off sanction of balance amount of Rs.6,014.25 had been verified. **The para was settled.**

106. Para 53 (15)(1967-68): Page 232 – Serial 3, Shortage of Store Rs.13,700

3.3.93: The explanation tendered by the Department was accepted by the Committee. **The para was settled.**

107. Para 64 (i)(1968-69): Page 232 – Serial 4, Shortage of Store Rs.5,094

9.3.95: The Department explained that the requisite recovery had been made through the Collector. **The para was settled.**

108. Para 43(1971-72): Page 232 – Serial 5, Blockage of Capital Rs.1,368,142

9.3.95: The Department explained that the inquiry committee had been appointed whose report was expected within a week. Audit pointed out that seven meetings of the Public Accounts Committee had been held on this para but to no avail. The Public Accounts Committee directed Audit to physically check the store and report to the Public Accounts Committee about its findings. The inquiry report of the Department and the physical verification report by Audit would be submitted to the Public Accounts Committee within one month. The para was kept pending.

12.12.98: The Department explained that out of the total store of Rs.2,779,850 store worth Rs.1,411,788 had been verified by Audit. Store worth Rs.1,211,838 had been auctioned through public auction and survey report of the balance stores worth Rs.1,243,303 had been prepared. The PAC **settled the para** subject to verification of relevant record/survey report by Audit.

109. Para 30 (4)(1980-81): Page 232 – Serial 6, Non-recovery of Government Dues Rs.116,944

9.3.95: The Department explained that write off sanction of Rs.116,944 was also being obtained by the Finance Department and the matter was already with the Finance Department for the said write off. The Committee directed the Finance Department to

expedite the case. In future, the No. and date of the reference made to the Finance Department should be quoted in the working paper so that the Finance Department may report latest position of the case to the Public Accounts Committee. **The para was kept pending.**

110. Para 30 (11)(1980-81): Page 232 – Serial 7, Non-recovery of Government Dues Rs.1,672,512

3.3.93: The Committee directed that if the sanction of write-off was obtained from the Finance Department within one month, then well and good, otherwise the recovery should be effected. The para was kept pending.

8.5.95: The Department explained that the matter had been referred to the Finance Department for write off. The Public Accounts Committee directed that the Finance Department may decide the cases within two months. The para was kept pending.

12.12.98: The Department explained that write off sanction of the balance amount of Rs.1,672,516 was still awaited from the Finance Department. The PAC directed that write off sanction may be obtained as early as possible as the case had already been inordinately delayed, otherwise balance recovery should be effected. **The para was kept pending.**

111. Para 71(3)(1982-83): Page 232 – Serial 8, Non-recovery of Government Dues Rs.27,810

9.3.95: The Department explained that recovery had been completed and verified by Audit. The inquiry had also been conducted against the defaulter who was exonerated by the Competent Authority. **The para was settled.**

112. Para 53(1972-73): Page 232 – Serial 9, Loss of Store Rs.5,573

3.3.93: The Department stated that an amount of Rs.65,312.65 had already been adjusted and verified. The para was settled subject to verification of balance recovery.

8.5.95: As the recovery had been effected and verified. **The para was settled.**

Cooperatives Department

Overview

Total Paras

5

Abstract

Status	Decision	Para Nos.	Total
Para Noted 1	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 4.6	1
Para Finally Settled 1	Paras finally settled as the requisite action had been taken.	Civil: 4.6.1	1
Para Conditionally Settled 1	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 month.	Civil: 4.6.2	1
Paras Pended 2	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Annexure Paras: 35, 27	2

Discussed on 3 January 1993 and 30 May 2002.

(Civil Audit)

1. Para 4.6: Page 42 – Rules Violation Rs.232,893

30.5.02: The Committee noted the para as it contained summary of two cases of violation of rules with reference to the undermentioned paras 4.61 and 4.6.2.

2. Para 4.6.1: Page 42 – Expenditure Beyond Competency Rs.211,200

Audit had observed: “The stated amount was paid on account of rent of office building. The expenditure was incurred without the sanction of the Finance Department, as detailed in the original para, in contravention of note 2 below S.No.3(b) (v) of Delegation of Powers, 1962. Expenditure being irregular needs to be regularized with the sanction of the Competent Authority.”

3.1.93: It was observed that the audit para was based on misconception as the expenditure already stood regularized by corrigendum issued by the Finance Department on 28.2.1984. **The para was settled.**

3. Para 4.6.2: Page 42 – Unauthorized Expenditure on Residential Telephones Rs.21,693

Audit had observed: “The stated amount was incurred on the following residential telephones installed without the sanction of the Finance Department contrary to the instruction laid down in note (1) below S.No.3(b) (IX) of Delegation of Powers under the Financial Rules & the powers of Re-appropriation Rules, 1962. The expenditure to the stated extent irregularly incurred, needs to be recovered from the officer concerned Telephone Nos.851661, 870791 & 414310.”

3.1.93: i) In the case of Ch. Shahab-ud-Din who was stated to have retired from service, the Committee directed that an inquiry be held to determine the responsibility for not recovering the amount during the service of the officer and disciplinary action be taken against the officer held responsible. The Department lately pointed out that this item had been dropped by Audit on 20.1.1991. The Committee observed that Audit had not the authority to drop the printed para. The Audit Department should also inquire why this para was dropped and by whom, and also to withdraw this letter.

ii) In the case of Khan Fasi-ud-Din which was stated to have been referred to the Finance Department for regularization, the Committee settled the para subject to regularization by the Finance Department and its verification by Audit.

iii) In the case of Sh. Abdus Samad and Mr Shahzad Hasan Pervez the amount was stated to have been recovered. **These cases were settled** subject to verification by Audit.

Education Department

Overview

Total Paras

148

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 15	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 5.1, 5.2, 5.3, 5.4, 5.6, 5.7, 5.8, 5.10, 6.1, 6.3, 6.4, 6.5, 6.6, 6.8, 6.10	15
Paras Finally Settled 93	Paras finally settled as the requisite action had been taken.	Civil: 5.1.2(3), 5.1.2(5), 5.1.3, 5.1.4(1), 5.1.4(2), 5.1.5(1), 5.1.5(2), 5.1.5(3), 5.1.5(4), 5.2.1(1), 5.2.1(2), 5.2.1(3), 5.2.2(1), 5.2.2(2), 5.2.2(5), 5.3.1, 5.4.1(1), 5.4.2(1), 5.4.2(2), 5.4.3(2), 5.6.1(2), 5.6.1(3), 5.6.1(4), 5.6.4, 5.6.5(1), 5.6.5(2), 5.6.5(3), 5.6.5(4), 5.6.5(5), 5.6.5(6), 5.6.5(7), 5.6.5(8), 5.6.5(9), 5.6.5(10), 5.6.5(11), 5.6.5(12), 5.6.6, 5.6.7, 5.7.1, 5.8.1(1), 5.8.1(2), 5.8.1(3), 5.8.1(4), 5.10.1(2), 5.10.1(3), 5.10.1(5), 5.10.1(6), 6.1.1(1), 6.1.1(2), 6.1.1(3), 6.1.1(5), 6.1.1(6), 6.4.1(1), 6.4.1(2), 6.4.1(3), 6.4.1(4), 6.4.2(1), 6.4.2(2), 6.4.2(3), 6.5.1(1), 6.5.1(2), 6.5.1(3), 6.5.1(4), 6.5.1(5), 6.6.1(1), 6.6.1(2), 6.6.1(3), 6.6.1(4), 6.6.1(5), 6.6.1(6), 6.6.1(7), 6.6.1(8), 6.6.1(9), 6.6.2, 6.8.1(1), 6.8.1(2), 6.8.1(3), 6.10.1(3), 6.10.1(4), 6.10.1(5), 6.10.1(6), 6.10.1(7), 6.10.1(8), 6.10.1(9), 6.10.1(10), 6.10.1(11), 6.10.1(12), 6.10.1(13), 6.10.1(14), 6.10.1(15), 6.10.1(17), 6.10.2(1), 6.10.2(2)	93

Paras Conditionally Settled 7	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.	Civil: 5.1.2(1), 5.1.2(2), 5.1.2(4), 5.10.1(1), 6.1.1(4), 6.3.1, 6.5.1(6)	7
Paras Pended 33	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Civil: 5.1.1, 5.2.2(3), 5.2.2(4), 5.4.1(2), 5.4.3(1), 5.6.1(1), 5.6.2(1), 5.6.2(2), 5.6.2(3), 5.6.2(4), 5.6.2(5), 5.6.3(1), 5.6.3(2), 5.6.8(1), 5.6.8(2), 5.10.1(4), 6.10.1(1), 6.10.1(2), 6.10.1(16)	19
		Annexure Paras: 26, 29, 31, 1(i), 1(ii), 1(5), 2(2), 12(4), 12(5), 14, 13(2), 17(2), 25(1), 27	14

Discussed on 4 January 1993; 14 April; 5 June 1995 and 30 May 2002.

(Civil Audit)

1. Para 5.1: Page 44 – Embezzlement Rs.1,440,564

30.5.02: The Committee noted the para as it contained summary of five cases of embezzlement with reference to the undermentioned paras 5.1.1, 5.1.2, 5.1.3, 5.1.4 and 5.1.5.

2. Para 5.1.1: Page 44 – Drawal of Salary of Teachers against Fictitious Appointment Orders Rs.1,073,108

Audit had observed: “Pay of eighty two lady teachers in various schools of tehsil Chunian, was drawn on fictitious appointment orders under the forged signatures of the District Education Officer, Kasur.”

14.4.93: The Department explained that as a result of departmental enquiry four officials were awarded minor punishment while 10 officials were awarded major penalty besides, recovery of the amounts. The Services Tribunal had set aside the major penalty and ordered denovo inquiry. As the case was under process in the light of the judgement of the Tribunal, the Department requested for more time to finalize the action. The para was kept pending.

5.6.95: The Department explained that according to the Tribunal’s decision the denovo enquiry was under process. The Public Accounts Committee was not satisfied with explanation of the Department and pace of action in the matter. The Committee expressed its concern over laxity of the Department in not finalising the action over 2 years since last Pubic

Accounts Committee directive dated 14-4-1993. The Committee directed that the Administrative Secretary should conduct a fact finding enquiry by way of physical verification of appointments & postings of 82 lady teachers and whether there was any flaw in record, and submit the facts of the case to Public Accounts Committee within one month. Moreover, copies of all the inquiry reports and the decision of the Services Tribunal be supplied to Audit. **The para was kept pending.**

3. Para 5.1.2(1): Page 44 – Tuition Fee Realised but not Deposited Rs.55,895

Audit had observed: “The stated amount was realized from the students of Primary and middle Schools but was not deposited into Treasury, as no challans in support of deposit thereof, were shown to Audit.”

4.1.93: The Department stated that against a total collection of tuition fee an amount of Rs.603,892 and Rs.55,279.95 had been deposited in the Government Treasury. As the total amount of the para Rs.650,722.22 had been recovered and deposited, **The para was settled** by the Public Accounts Committee subject to verification by Audit. The Public Accounts Committee had taken a serious view of this malpractice within the Department that timely and suitable action was not taken to show tuition fee deposits and the amounts realised had been kept lying with them which amounted to the temporary embezzlement of Government money. Public Accounts Committee directed the Department that in all such cases disciplinary action should be taken against those responsible for withholding such payments/deposits. Unless those responsible for such irregularities were proceeded against under E & D Rules and penalty imposed the chances of misappropriation of Government money could not be mitigated. Moreover, departmental comments should reflect disciplinary action also.

4. Para 5.1.2(2): Page 44 – Tuition Fee Realised but not Deposited Rs.22,833

4.1.93: The stated amount of Rs.6,728 had been deposited. **The para was settled** by the Public Accounts Committee subject to verification by Audit.

5. Para 5.1.2(3): Page 45 – Tuition Fee Realised but not Deposited Rs.12,789

4.1.93: The amount of the para had been deposited and got verified. **The para was settled.**

6. Para 5.1.2(4): Page 45 – Tuition Fee Realised but not Deposited of Rs.25,305

4.1.93: The amount of the para had been recovered from the official concerned. The Public Accounts Committee directed that the recovery be got verified and disciplinary action should be taken against the defaulter within three months. The para was kept pending.

5.6.95: The Department explained that the amount of Rs.26,294.50 including interest, had been recovered and verified. Moreover, a warning had also been issued to the concerned A.E. O. The Public Accounts Committee was of the view that the Deputy Education Officer could also not be absolved of his responsibility in this respect. **This para was settled** with the direction that the Department should take action against the Education Officer also.

7. Para 5.1.2(5): Page 45 – Tuition Fee Realised but not Deposited Rs.6,857

4.1.93: The amount had been deposited and got verified. **The para was settled.**

8. Para 5.1.3: Page 45 – Sale Proceeds not Deposited into Government Treasury Rs.30,000

Audit had observed: “The above stated amount was received in Dec 1986 as auction price of Shisham trees located in school compound but not deposited into Government Treasury.”

4.1.93: The amount of Rs.30,000 plus interest of Rs.2,572 had been deposited into Government Treasury. **The para was settled.**

9. Para 5.1.4(1): Page 45-46 – Non/Less Disbursement of Amount Drawn from Treasury Rs.51,790

Audit had observed: “Amount drawn from the Treasury, was embezzled to the stated extent by making either less disbursement or no disbursement to the concerned quarters. This needs to be investigated departmentally for taking disciplinary action against the officials at fault in addition to effecting recovery from them.”

4.1.93: The Department stated that as per acquittance rolls/APR’s an amount of Rs.47,916.88 had been disbursed to the concerned staff and undisbursed amount of Rs.2,200.95 had been deposited in Government Treasury. As the record had been verified by Audit **the para was settled.** However, the Department was directed to take disciplinary action against the official responsible for this temporary embezzlement.

10. Para 5.1.4(2): Page 45-46 – Non/Less Disbursement of Amount Drawn from Treasury Rs.35,373

4.1.93: The record had been verified by Audit. **The para was settled.**

11. Para 5.1.5(1): Page 46 – Receipts not Deposited Rs.13,233

Audit had observed: “Sale proceeds of college prospectus/identity cards and tuition/admission fees and funds realized from the students to the stated extent were not deposited into Govt. treasury or adjusted in the relevant fund account. The matter needs to be investigated and amount recovered from the defaulters and credited to Govt. Account in addition to disciplinary action.”

4.1.93: The deposit had been verified, **the para was settled.**

12. Para 5.1.5(2): Page 46 – Receipts not Deposited Rs.24,946

4.1.93: The actual amount of the para realised as tuition/admission fees was Rs.22,169. The amount had been recovered and got deposited/verified. **The para was settled.**

13. Para 5.1.5(3): Page 46 – Receipts not Deposited Rs.15,626

4.1.93: The actual amount of the para was Rs.11,711.35 which had been recovered and got deposited. **The para was settled.**

14. Para 5.1.5(4): Page 46 – Receipts not Deposited Rs.72,809

4.1.93: The receipts for the amount of Rs.72,809 had been verified. **The para was settled.**

15. Para 5.2: Page 47 – Misappropriation Rs.1,983,384

30.5.02: The Committee noted the para as it contained summary of two cases of misappropriation with reference to the undermentioned paras 5.2.1 and 5.2.2.

16. Para 5.2.1(1): Page 47 – Shortage of Stores/Stock Articles Rs.6,103

Audit had observed: “The stated amount was drawn from the treasury for the purchase of Store Articles and Science equipment but the same were either not actually purchased or were found short at the time of Physical Verification.”

4.1.93: The relevant record had been verified by Audit. **The para was settled.**

17. Para 5.2.1(2): Page 47 – Shortage of Stores/Stock Articles Rs.19,920

4.1.93: Stock entry of 80 chairs available with the Department had been verified. **The para was settled.**

18. Para 5.2.1.(3): Page 47 – Shortage of Stores/Stock Articles Rs.31,775

14.4.93: The Department explained that inquiry was held. The official concerned was awarded minor punishment. The para was settled subject to verification by Audit.

5.6.95: The Committee was informed that the para had been settled subject to verification by Audit as per decision in the meeting of the Public Accounts Committee dated 14-4-1993. But inspite of the passage of two years the Department did not make any efforts to comply with its directive. The Administrative Secretary was directed to look into the matter and **the para was settled** subject to his satisfaction.

19. Para 5.2.2(1): Page 48 – Advances Drawn from Students Fund not Refunded Rs.27,100

Audit had observed: “Advances to the above extent were drawn from the students funds to meet emergent expenditure but the same were not subsequently refunded to relevant Fund Account. No vouched Account had been found maintained, in the absence of which the expenditure cannot be admitted in Audit. This may be recovered or vouched account produced to Audit.”

4.1.93: The explanation was given by the Department before the Public Accounts Committee that an amount of Rs.27,100 was being drawn from the Union Fund at different occasions to meet the urgent contingent expenditures during the year 1987-88. If the expenditure had not been done, a law and order situation could have arisen. The amount was later refunded to the union fund on the receipt of the contingent grant from the Government. As the refund/adjustment of union fund had been verified, **the para was settled.**

20. Para 5.2.2(2): Page 48 – Advances Drawn from Students Fund not Refunded

Rs.59,577 Reduced to Rs.24,872

4.1.93: The adjustment of accounts had been verified by the Audit. **The para was settled.**
21. Para 5.2.2(3-4): Page 48 – Advances Drawn from Students Fund not Refunded
Rs.54,581 and Rs.1,515,869

4.1.93: The representative of the Department stated that the relevant record was in custody of the Anti Corruption Sargodha. The record would be produced to Audit when received from there. Mr. Muhammad Ramzan Ex-Cashier/Senior Clerk, involved in the misappropriation of Government money was sentenced to 12 years R.I.

The Audit Department and the Finance Department pointed out that the fraud perpetuated for 3 years, but the supervisory officer could not detect this embezzlement for such a long period.

The Committee directed that copies of the record be obtained from the Anti Corruption Department and the matter may be probed into for fixing the responsibility of the supervisory officers in this embezzlement within 3 months. **The paras were kept pending.**

22. Para 5.2.2(5): Page 48 – Advances Drawn From Students Funds not Refunded
Rs.268,459

4.1.93: The expenditure was incurred with sanction of the Director Education (Schools) Lahore Division, Lahore. The purchases were made from A.D.P. Grants and not from Students Funds. Audit had verified the record. **The para was settled.**

23. Para 5.3: Page 48 – Overpayment Rs.66,374

30.5.02: The Committee noted the para as it contained summary of one case of overpayment with reference to the undermentioned para 5.3.1.

24. Para 5.3.1: Page 48 – Purchase of Furniture at Higher Rates Rs.66,374

Audit had observed: “Furniture was purchased at higher rates from a firm other than that approved by the purchase Committee without recording any reason resulting in excess payment of the above stated amount.”

4.1.93: The representative of the Department stated that the firms approved to supply furniture articles, backed out to supply the material. Their call deposits/securities were forfeited by the Department. Audit verified the position. **The para was settled.**

25. Para 5.4: Page 48 – Non-Accountal Rs.1,097,073

30.5.02: The Committee noted the para as contained summary of three cases of non-accountal with reference to the undermentioned paras 5.4.1, 5.4.2 and 5.4.3.

26. Para 5.4.1(1): Page 49 – Amount Drawn not Accounted for in Cash Book Rs.189,904

Audit had observed: “Under rule 2.6 of PFR Vol.I all receipts and payments should be entered in the Cash Book. In the formation noted above, the amount to the stated extent was drawn from the treasury, as per Schedule of payments, but not entered in the receipt side of the Cash Book. The amount appears to have been misappropriated. This may be investigated departmentally to fix responsibility and to affect recovery in addition to disciplinary action.”

4.1.93: The record had been verified, **the para was settled.**

27. Para 5.4.1(2): Page 49 – Amount Drawn not Accounted for in Cash Book Rs.36,203

4.1.93: It was stated that all the items purchased had been entered in the store-stock register. The Accountal may be got verified. The para was settled subject to verification by Audit.

5.6.95: Store articles of Rs.36,203 were purchased but not accounted for in the stock register. Out of the store valuing Rs.36,203 store articles of Rs. 19,017.62 had been accounted for and their accountal had been shown to Audit. The accountal for remaining store worth Rs.17,184 related to consumable items at a belated stage was not accepted by Audit. Therefore, the Public Accounts Committee directed that cost of the consumable items Worth Rs.17,184 may be recovered from the D.D.O, as he was responsible for their timely accountal in record. The recovery might be completed within 3 months. **The para was kept pending.**

28. Para 5.4.2(1): Page 50 – Non-accountal of Amount Drawn From Treasury In Cash Book Rs.132,970

Audit had observed: “The stated amounts drawn from the treasury as per schedules of Payment of the respective offices, were not found entered in their cash books. There is likelihood of embezzlement of the said amounts.”

4.1.93: Entries in the cash book had been verified by Audit. **The para was settled.**

29. Para 5.4.2(2): Page 50 – Non-accountal of Amount Drawn From Treasury in Cash Book Rs.25,740

4.1.93: The stated amount had not been drawn from treasury and this fact was verified by Audit. **The para was settled.**

30. Para 5.4.3(1): Page 50 – Non-accountal of Stores and Material in Stock Register Rs.614,453

Audit had observed: “The stated amount represents the value of stores and other material indicated to have been purchased but no stock entries thereof were available in the respective Stock Register.”

4.1.93: Audit pointed out that the record had been reconstructed, fictitious entries were made, record was not maintained in chronological order and the Department failed to make thorough investigation in the matter. The Committee directed that a copy of the inquiry report be provided to the Public Accounts Committee, Audit and the Finance Department. The Administrative Department should also examine the case and give opinion to the Public Accounts Committee.

5.6.95: Sports articles and other material worth Rs.614,453 was stated to have been purchased but not entered in the stock register. Therefore, the same was treated as misappropriated. Later on at the instance of Audit the requisite entries were inserted in the stock register without any chronological order. As such these entries were treated as forged and fictitious. On 4-1-93 the Public Accounts Committee directed the Department to investigate the case under intimation to the Public Accounts Committee, Audit and the Finance Department. Despite the lapse of about 2^{1/2} years, the Department had not complied with the direction of the Public Accounts Committee.

The Public Accounts Committee viewed this lapse seriously on the part of the Department and directed that the Department with the assistance of Mr. Imran Qazi, Director and Mr. Qamar Azam Zaidi, Deputy Director Audit, should conduct a detailed scrutiny of the record and complete the same within 3 months. **The para was kept pending.**

31. Para 5.4.3(2): Page 50 – Non-accountal of Stores and Material in Stock Register Rs.97,803

14.4.93: The vouched Account of Rs.52,685 and recovery of Rs.45,118 having been verified by Audit, **the para was settled.**

32. Para 5.6: Page 50 – Rules Violation Rs.18,584,611

30.5.02: The Committee noted the para as it contained summary of eight cases of violation of rules with reference to the undermentioned paras 5.6.1, 5.6.2, 5.6.3, 5.6.4, 5.6.5, 5.6.6, 5.6.7 and 5.6.8.

33. Para 5.6.1(1): Page 51 – Expenditure Beyond Competency Rs.553,165

Audit had observed: “Expenditure to the above extent was incurred on the purchases of stores, sports articles, furniture and repair etc., without the sanction of the Competent Authority.”

4.1.93: It was stated that the expenditure was incurred by the Department with the sanction of the Competent Authority. Part (i), (ii) and (iv) were settled. Para (iii) was settled subject to verification by Audit.

5.6.95: The Public Accounts Committee in its meeting dated 4-1-1993 directed the Department to produce the relevant record pertaining to para 5.6.1(1)(iii) to Audit for verification which was not done.

Anyhow, the Department reiterated that record was ready for verification by Audit. The Public Accounts Committee directed the Department to get the same verified by Audit. **The para was kept pending** for verification.

34. Para 5.6.1(2): Page 51 – Expenditure Beyond Competency Rs.210,396

4.1.93: The record/sanctions had been verified by the Audit. **The para was settled.**

35. Para 5.6.1(3): Page 51 – Expenditure Beyond Competency Rs.2,790,938

4.1.93: The sanctions with relevant record had been verified by the Audit. The Public Accounts Committee directed the Department that in future while making purchases all the codal formalities should be observed. **The para was settled.**

36. Para 5.6.1(4): Page 51 – Expenditure Beyond Competency Rs.3,596,441

4.1.93: Sanctions having been verified by the Audit, **the para was settled.**

37. Para 5.6.2(1): Page 52 – Drawal of Money Through Bogus Certificates Rs.1,365,552**38. Para 5.6.2(2): Page 52 – Drawal of Money Through Bogus Certificates Rs.2,700,000****39. Para 5.6.2(3): Page 52 – Drawal of Money Through Bogus Certificates Rs.107,999****40. Para 5.6.2(4): Page 52 – Drawal of Money Through Bogus Certificates Rs.474,015****41. Para 5.6.2(5): Page 52 – Drawal of Money Through Bogus Certificates Rs.194,800**

Audit had observed: “Stated amount was drawn only to avoid lapse of funds by recording bogus certificates on the bill to the effect that store articles and material were received in good quality and of correct quantity and that payment thereof, was made on 30.6.1988. On Physical verification by Audit on 2.7.88, it was noticed that neither the store articles and material had been received nor amount there of was actually paid on 30.6.1988, as shown in the cash book.”

Audit had observed: “The stated amount was drawn from the treasury only to avoid the lapse of budget grant as the amount so drawn was kept in the bank and was disbursed after months together which was against the provisions of rule 2.10 (b)(s) of the P.F.R. Vol.I.”

4.1.93: Audit pointed out that in all these paras the amount had been drawn in advance to prevent the lapse of funds at the close of the year. The Public Accounts Committee decided to constitute a Sub-Committee for detailed examination of the Paras and the issues involved and recommendations for their rectification.

The Sub-Committee comprised as under:-

1. Ch. Muhammad Riaz, MPA	Convener
2. Haji Afzal Chan, MPA	Member
3. Pir Allah Yar Chishti, MPA	Member
4. Sh. Anwar-ul-Haq Pircha	Member
5. Representatives of Finance Department.	Member
6. Representative of Audit.	Member

5.6.95: The Committee expressed its displeasure over the irregular manner in which money had been drawn, purchases had been made and did not agree with the contention of the Department that irregularity was committed to avoid the lapse of funds. A Sub-Committee

No.7 comprising the following Members was constituted, for detailed examination of the paras:-

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

The scope of inquiry by the Sub-Committee would *inter alia*, include the following:-

1. The budget allocation for this purpose.
2. The dates of release of funds.
3. Purchase documents including tenders, etc.
4. When the stores were received.
5. The time during which the amount was withheld till payment.
6. Where were the amounts kept in the meantime, till payment.
7. Consumption/accountal of the stock, so purchased.
8. The conduct of the officers who signed the bogus certificate for having received the stores.
9. The conduct of the supervisory officers and the conduct of the Purchase Committee

Mr. Muhammad Iqbal Nasir, Deputy Secretary Finance Department, was asked to assist the Sub-Committee. **The paras were kept pending.**

42. Para 5.6.3(1): Page 52 – Unnecessary Retention of Government Money Rs.1,440,498

Audit had observed: “The stated amount was drawn from the treasury only to avoid the lapse of budget grant as the amount so drawn was kept in the bank and was disbursed after months together which was against the provisions of rule 2.10 (b)(s) of the P.F.R. Vol.I.”

4.1.93: Audit pointed out that in all these paras the amount had been drawn in advance to prevent the lapse of funds at the close of the year. The Public Accounts Committee decided to constitute a Sub-Committee for detailed examination of the Paras and the issues involved and recommendations for their rectification.

The Sub-Committee comprised as under:-

- | | |
|---|----------|
| 1. Ch. Muhammad Riaz, MPA | Convener |
| 2. Haji Afzal Chan, MPA | Member |
| 3. Pir Allah Yar Chishti, MPA | Member |
| 4. Sh. Anwar-ul-Haq Pircha | Member |
| 5. Representatives of Finance Department. | Member |
| 6. Representative of Audit. | Member |

43. Para 5.6.3(2): Page 52 – Unnecessary Retention of Government Money Rs.667,322

4.1.93: Audit pointed out that in all these paras the amount had been drawn in advance to prevent the lapse of funds at the close of the year. The Public Accounts Committee decided to constitute a Sub-Committee for detailed examination of the Paras and the issues involved and recommendations for their rectification.

The Sub-Committee comprised as under:-

1. Ch. Muhammad Riaz, MPA	Convener
2. Haji Afzal Chan, MPA	Member
3. Pir Allah Yar Chishti, MPA	Member
4. Sh. Anwar-ul-Haq Pircha	Member
5. Representatives of Finance Department.	Member
6. Representative of Audit.	Member

44. Para 5.6.4: Page 53 – Purchase Made without Observing Codal Procedure Rs.102,640

Audit had observed: “The expenditure to the extent of above cited amount was incurred without observing the codal procedure, i.e. obtaining sanction of the Competent Authority, calling for quotations to ensure economical purchases, approval of the rates by the District Purchase Committee etc.”

4.1.93: The stock entries had been verified by the Audit. **The para was settled.**

45. Para 5.6.5 (1): Page 53 – Expenditure Beyond Competency Rs.5,790

Audit had observed: “That stated expenditure was incurred on the purchase of various articles including stationery, furniture and novel nature items etc., either by splitting up the purchase order or the purchases were made beyond competency without observing the codal provisions and without requirements.”

4.1.93: The deposit had been verified by the Audit. **The para was settled.**

46. Para 5.6.5(2): Page 53 – Expenditure Beyond Competency Rs.43,080

4.1.93: The Department explained that the expenditure was made with the approval of the Competent Authority. **The para was settled.**

47. Para 5.6.5(3): Page 53 – Expenditure Beyond Competency Rs.79,990

4.1.93: The sanction of the Competent Authority had been verified by Audit. **The para was settled.**

48. Para 5.6.5(4): Page 53 – Expenditure Beyond Competency Rs.115,112

4.1.93: The sanction of the Competent Authority had been verified by Audit. **The para was settled.**

49. Para 5.6.5(5): Page 54 – Expenditure Beyond Competency Rs.108,928

4.1.93: The record of expenditure and competence had been verified by Audit. **The para was settled.**

50. Para 5.6.5(6): Page 54 – Expenditure Beyond Competency Rs.121,150

4.1.93: Ex-post facto sanction had been verified by Audit. **The para was settled.**

51. Para 5.6.5(7): Page 54 – Expenditure Beyond Competency Rs.363,356

4.1.93: The record/competence had been verified by Audit. **The para was settled.**

52. Para 5.6.5(8): Page 54 – Expenditure Beyond Competency Rs.422,810

4.1.93: The record/competence had been verified by Audit. **The para was settled.**

53. Para 5.6.5(9): Page 54 – Expenditure Beyond Competency Rs.162,600

4.1.93: The record had been verified by Audit. **The para was settled.**

54. Para 5.6.5(10): Page 54 – Expenditure Beyond Competency Rs.119,510

4.1.93: The record/competence had been verified by Audit. **The para was settled.**

55. Para 5.6.5(11): Page 54 – Expenditure Beyond Competency Rs.54,000

4.1.93: The sanction had been verified by Audit. **The para was settled.**

56. Para 5.6.5(12): Page 54 – Expenditure Beyond Competency Rs.9,390

4.1.93: The position had been verified by Audit. **The para was settled.**

57. Para 5.6.6: Page 54 – Shortage of Stock Articles etc. Rs.10,890

Audit had observed: “As per entries made in the stock register Library Books, Water Coolers, Table lamps and other store articles were shown missing/short at the time of verification or on handing over/taking over the charge. No action was taken by the departmental Authorities to make good the loss sustained by the Govt. The matter needs to be investigated for recovery from defaulters in addition to disciplinary action.”

4.1.93: Record had been verified by Audit. **The para was settled.**

58. Para 5.6.7: Page 54 – Payments of Furniture without its Receipt Rs.126,420

Audit had observed: “The stated amount was paid on 23.6.1988 to M/S Malik Sons, Mechanical Works, Sahiwal for the purchase of 300 three-seater Desks @ Rs.430 each. The said desks were not found available in the office at the time of physical verification of stores/stock conducted by Audit in July 1988.”

14.4.93: The Department explained that stock registers had been verified by Audit and an inquiry was in process against the officers concerned. **The para was settled.**

59. Para 5.6.8(1): Page 55 – Advance Drawal of Government Money Rs.2,057,506

Audit had observed: “Stated amount was drawn in advance from the Govt. account in

order to avoid the lapse of funds, without receipt of stores/stock articles and other store materials and without immediate requirements against the provisions contained in note 1 below rule 2.14 of PFR Vol. I read with rule 2.10 (b)(5) *ibid*. The expenditure being irregular needs to be regularized with the sanction of the Competent Authority.”

4.1.93: The para was referred to the Sub committee, constituted for para 5.6.2(1) etc. **The para was kept pending.**

60. Para 5.6.8(2): Page 55 – Advance Drawal of Government Money Rs.580,313

4.1.93: The para was referred to the Sub Committee constituted for para 5.6.2(1) etc. **The para was kept pending.**

61. Para 5.7: Page 55 – Propriety Violation Rs.126,556

30.5.02: The Committee noted the para as it contained summary of one case of propriety violation with reference to the undermentioned para 5.7.1.

62. Para 5.7.1: Page 55-56 – Unnecessary Purchase Blocking of Government Capital Rs.126,556

Audit had observed: “Funds to the stated extent were blocked by purchasing store articles without any requirement, as same articles were lying unused in the store for two years which indicated that the purchases were made only to avoid the lapse of Budget grant which is against the provisions of financial Rules.”

4.1.93: The purchase of furniture articles were made through the Purchase Committee and all the necessary purchase documents, stock entries had been verified by Audit. **The para was settled.** The Department was however, directed to take a policy decision on the matter of making purchases according to the actual phase of the scheme and immediate requirements.

63. Para 5.8: Page 56 – Recovery Outstanding Rs.286,146

30.5.02: The Committee noted the para as it contained summary of one case of outstanding recovery with reference to the undermentioned para 5.8.1.

64. Para 5.8.1(1): Page 56 – Non-recovery of House Rent and Payment of House Rent Allowance without Entitlement Rs.16,995

Audit had observed: “The deduction on account of room rent from the staff members residing in the college premises/hostel was not made. Moreover, house rent allowance was also paid to some staff members who were living in Government accommodation. The above stated amount is required to be recovered and deposited in to Govt. Treasury.”

14.4.93: It was stated by the Department that deduction was being made from the pay of the officials @ Rs.50 P.M. **The para was settled.**

65. Para 5.8.1(2): Page 56 – Non-recovery of House Rent and Payment of House Rent

Allowances without Entitlement Rs.130,150

4.1.93: Recovery had been effected and verified by Audit. **The para was settled.**

66. Para 5.8.1(3): Page 56 – Non-recovery of House Rent and Payment of House Rent Allowances without Entitlement Rs.107,152

4.1.93: The amount involved had been recovered and verified by Audit. **The para was settled.**

67. Para 5.8.1(4): Page 56 – Non-recovery of House Rent and Payment of House Rent Allowances without Entitlement Rs.31,849

4.1.93: The Department pointed out that the para related to the Labour Department. **The para was accordingly transferred** to the Labour Department.

68. Para 5.10: Page 57 – Record Non-production Rs.432,753

30.5.02: The Committee noted the para as it contained summary of one case of non-production of record with reference to the undermentioned para 5.10.1.

69. Para 5.10.1(1): Page 57 – Non-production of Record Rs.122,233

Audit had observed: “Auditable documents (i.e. bills, vouchers and receipts etc) as detailed in the original paras were not made, available to Audit for scrutiny of expenditure.”

4.1.93: The amount involved realized on account of tuition fees by the concerned Headmistress had been deposited. The para was settled subject to verification by Audit.

5.6.95: The Public Accounts Committee directed the Department to get the relevant record verified by Audit. **The para was settled** subject to verification of record by Audit.

70. Para 5.10.1(2): Page 57 – Non-production of Record Rs.6,739

4.1.93: The record had been verified by Audit. **The para was settled.**

71. Para 5.10.1(3): Page 57 – Non-production of Record Rs.142,277

4.1.93: The Department stated that all items had now properly been taken on stock and consumption entries maintained. The para was settled subject to verification by Audit.

5.6.95: Necessary verification of record was done by Audit and therefore, **the para was settled.**

72. Para 5.10.1(4): Page 57 – Non-production of Record Rs.146,164

4.1.93: The Department stated that all the stores had been properly entered in the stock registers and consumption entries maintained. Audit pointed out that a detailed Audit was required. **The para was kept pending** for detailed Audit of record.

73. Para 5.10.1(5): Page 57 – Non-production of Record Rs.9,490

4.1.93: The record had been verified by Audit. **The para was settled.**

74. Para 5.10.1(6): Page 57 – Non-production of Record Rs.5,850

4.1.93: The para was settled as the stock entries/related record had been verified by Audit.

75. Para 6.1: Page 59 – Embezzlement Rs.102,824

30.5.02: The Committee noted the para as it contained summary of one case of embezzlement with reference to the undermentioned para 6.1.1.

76. Para 6.1.1(1): Page 59 – Tuition/Admission Fees etc. not Deposited Rs.11,221

Audit had observed: “Tuition/Admission fee to the stated extent realized from students, was not deposited into Government Treasury as required under rule 4.1 of PFR Vol.I and was embezzled. The embezzlement was facilitated due to lack of internal control in the financial matters. The matter needs to be investigated and the amount recovered in addition to strict disciplinary action against the official held responsible.”

14.4.93: The Department stated that the deposits made on account of tuition fees had been verified by Audit. **The para was settled.**

77. Para 6.1.1(2): Page 59 Tuition/Admission Fees etc. not Deposited Rs.60,847

14.4.93: As the stock entries in the relevant stock register in relation to the purchase of furniture, duress, science materials and miscellaneous items had been verified by Audit. **The para was settled.**

78. Para 6.1.1(3): Page 59 – Tuition/Admission Fees etc. not Deposited Rs.16,986

14.4.93: The deposit of tuition/admission fees got confirmed from the DAO, R.Y. Khan. The deposits had been verified. **The para was settled.**

79. Para 6.1.1(4): Page 59 – Tuition/Admission Fees etc. not Deposited Rs.6,350

14.4.93: The recovery of the amount of Rs. 6,350 had been made. **The para was settled** subject to verification by Audit.

80. Para 6.1.1(5): Page 59 – Tuition/Admission Fees etc. not Deposited Rs.8,921

14.4.93: As the deposit had been verified by Audit, **the para was settled.**

81. Para 6.1.1(6): Page 59 – Tuition/ Admission Fees etc. not Deposited Rs.15,485

14.4.93: **The para was settled** as the deposit had been verified by Audit.

82. Para 6.3: Page 59 – Overpayment Rs.62,700

30.5.02: The Committee noted the para as it contained summary of one case of overpayment with reference to the undermentioned para 6.3.1.

83. Para 6.3.1: Page 60 – Overpayment of Rent of School Building Rs.62,700

Audit had observed: “Rented School building was vacated on 1.4.1981 and the School started functioning in another building, but the school authorities continued making payment of rent in the name of previous building owner @ Rs.1100 P.M. upto 31.12.1985. The present Headmistress stated that since her predecessor was depositing the rent with the rent Controller, she too deposited the same.”

14.4.93: The case being subjudice, the para was kept pending.

5.6.95: The Department explained that the owner wanted vacation of the premises and obtained a stay order. Therefore, they had been depositing the rent in the court of Rent Controller and not to the owner. Subject to verification of record, including the court’s order and treasury challans, within fifteen days, **the para was settled.**

84. Para 6.4: Page 60 – Non-Accountal Rs.251,248

30.5.02: The Committee noted the para as it contained summary of two cases of non-accountal with reference to the undermentioned paras 6.4.1 and 6.4.2.

85. Para 6.4.1(1): Page 60 – Store Purchased but not Accounted for Rs.8,529

Audit had observed: “Furniture and other stores were purchased but were not accounted for in the relevant Stock Registers as required under rule 15.4 (a) of PFR Vol.I. In some cases quotations were not obtained and acknowledgements not produced.”

14.4.93: Stock entries/relevant record maintained for articles purchased out of Union Fund Worth Rs.8,529 had been verified by Audit. **The para was settled.**

86. Para 6.4.1(2): Page 60 – Store Purchased but not Accounted for Rs.57,499

14.4.93: As the record relating to the stock entries of science material, agriculture tools, stationery articles and payment of electricity bills had been verified by Audit, **the para was settled.**

87. Para 6.4.1(3): Page 60 – Store Purchased but not Accounted for Rs.8,500

14.4.93: As the stock entries had been verified by Audit **the para was settled.**

88. Para 6.4.1(4): Page 61 – Store Purchased but not Accounted for Rs.5,872

14.4.93: Stock entries had been verified. **The para was settled.**

89. Para 6.4.2(1): Page 61 – Amount Drawn from Treasury not Accounted for in Cash Book Rs.68,810

Audit had observed: “Under rule 2.2 of PFR Vol.I, any amount drawn from the treasury should be entered in the Cash Book. Against the above provision the stated amount was drawn from the treasury but was not accounted for in the cash book. The departmental inquiry needs

to be conducted to fix responsibility in addition to disciplinary action against the official at fault.”

14.4.93: Entries in the cash book Worth Rs.56,621 had been verified by Audit. The entries for the remaining amount had yet to be verified. The Department stated that the balance amount did not belong to Government Muslim High School, Azam Chowk Layyah. Subject to reconciliation and verification by Audit, the para was settled. The Committee also directed that the Finance Department would issue instructions to District Accounts Officers for timely issue of certificates counterfoils to the concerned Department.

5.6.95: The Department explained that the necessary verification of entries in the cash book had been done by Audit. **The para was settled.**

90. Para 6.4.2(2): Page 61 – Amount Drawn from Treasury not Accounted for in Cash Book Rs.17,832

14.4.93: The facts had been verified by Audit that the institution obtained revised schedules of payments in which the disputed amounts had not been included. **The para was settled.**

91. Para 6.4.2(3): Page 61 – Amount Drawn from Treasury not Accounted for in Cash Book Rs.84,206

14.4.93: As the record entries had been verified by Audit, **the para was settled.**

92. Para 6.5: Page 61 – Negligence Rs.76,438

30.5.02: The Committee noted the para as it contained summary of one case of negligence with reference to the undermentioned para 6.5.1.

93. Para 6.5.1(1): Page 62 – Non-accountal of Stores in Stock Registers Rs.22,970

Audit had observed: “The store articles purchased by the various Offices, detailed below were not accounted for in the relevant stock registers.”

14.4.93: As the deposit made/stock entries had been verified, **the para was settled.**

94. Para 6.5.1(2): Page 62 – Non-accountal of Stores in Stock Registers Rs.8,396

14.4.93: As the stock entries of furniture, stationery had been verified by Audit, **the para was settled.**

95. Para 6.5.1(3): Page 62 – Non-accountal of Stores in Stock Registers Rs.14,575

14.4.93: Stock entries had been verified by Audit. **The para was settled.**

96. Para 6.5.1(4): Page 62 – Non-accountal of Stores in Stock Registers Rs.13,040

14.4.93: Stock entries had been verified by Audit. **The para was settled.**

97. Para 6.5.1(5): Page 62 – Non-accountal of Stores in Stock Registers Rs.17,457

14.4.93: Item-wise entries in the relevant stock registers had been verified by Audit. **The**

para was settled.

98. Para 6.5.1(6): Page 62 – Non-accountal of Stores in Stock Registers Rs.61,819

14.4.93: The Department stated that separate stock registers had been maintained for consumables and non consumables. Subject to verification by Audit within one month, **the para was settled.**

99. Para 6.6: Page 62 – Rules Violation Rs.1,334,008

30.5.02: The Committee noted the para as it contained summary of two cases of violation of rules with reference to the undermentioned paras 6.6.1 and 6.6.2.

100. Para 6.6.1(1): Page 63 – Expenditure Incurred Beyond Competency Rs.53,536

Audit had observed: “The expenditure incurred on the purchase of furniture, sports material, science material, and other items of stores etc. was beyond competency in the following cases as per Delegation of Powers under the Financial Rules, 1962. The same may please be got regularized with the sanction of the Competent Authority.”

14.4.93: Compliance verified. **The para was settled.**

101. Para 6.6.1(2): Page 63 – Expenditure Incurred Beyond Competency Rs.100,000

14.4.93: The compliance having been verified, **the para was settled.**

102. Para 6.6.1(3): Page 63 – Expenditure Incurred Beyond Competency Rs.29,520

14.4.93: The compliance having been verified, **the para was settled.**

103. Para 6.6.1(4): Page 63 – Expenditure Incurred Beyond Competency Rs.38,080

14.4.93: The compliance having been verified by Audit, **the para was settled.**

104. Para 6.6.1(5): Page 63 – Expenditure Incurred Beyond Competency Rs.32,000

14.4.93: The compliance having been verified by Audit, **the para was settled.**

105. Para 6.6.1(6): Page 63 – Expenditure Incurred Beyond Competency Rs.20,000

14.4.93: The compliance having been verified by Audit, **the para was settled.**

106. Para 6.6.1(7): Page 63 – Expenditure Incurred Beyond Competency Rs.55,461

14.4.93: The compliance having been verified by Audit, **the para was settled.**

107. Para 6.6.1(8): Page 63 – Expenditure Incurred Beyond Competency Rs.27,412

14.4.93: The compliance having been verified by Audit, **the para was settled.**

108. Para 6.6.1(9): Page 63 – Non-accountal of Stores Rs.898,749

14.4.93: The compliance having been verified, **the para was settled.**

109. Para 6.6.2: Page 63 – Irregular/Un-necessary Appointments of Tonga Driver Rs.79,250

Audit had observed: “Two Tonga Drivers were appointed for bringing the students from their homes to school and back to their residences without getting the post sanctioned. Both the Drivers performed their duties w.e.f 5.3.1984. Expenditure from 5.3.84 to date worked out to the above stated extent was irregular and needs to be recovered from the officer concerned or got regularized with the sanction of the Competent Authority.”

14.4.93: It was stated that the posts of tonga drivers were sanctioned by the Ex-Bahawalpur State and liabilities taken over by the Punjab Government. These posts were included in the annual budget. The explanation was accepted and **the para was settled.**

110. Para 6.8: Page 64 – Recovery Outstanding Rs.35,987

30.5.02: The Committee noted the para as it contained summary of one case of outstanding recovery with reference to the undermentioned para 6.8.1.

111. Para 6.8.1(1): Page 64 – Cash Receipts not Deposited into Government Treasury Rs.10,987

Audit had observed: “Cash Receipts from various sources of income were not deposited into Government Treasury and misappropriated. Departmental investigation needs to be conducted to fix responsibility for the misappropriation and to recover the same in addition to taking suitable disciplinary action against the officials at fault.”

14.4.93: It was explained that the tuck shop was situated out of school premises. It was not school’s tuck shop. Therefore, no agreement on this account was ever made with the owner of the tuck shop. The position had been verified by Audit. **The para was settled.**

112. Para 6.8.1(2): Page 64 – Cash Receipts not Deposited into Government Treasury Rs.20,000

14.4.93: It was submitted that no agriculture farm was attached to the institution. The position having been verified by a Special Departmental Accounts Committee and also by Audit, **the para was settled.**

113. Para 6.8.1(3): Page 64 – Cash Receipt not Deposited into Government Treasury Rs.5,000

14.4.93: The deposit of lease money worth Rs.23,000 had been verified. **The para was settled.**

114. Para 6.10: Page 64 – Records Non-production Rs.911,693

30.5.02: The Committee noted the para as it contained summary of two cases of non-production of record with reference to the undermentioned paras 6.10.1 and 6.10.2.

115. Para 6.10.1(1): Page 65 – Non-production of Record Rs.149,329

Audit had observed: “Auditable documents (i.e. bills, vouchers and receipts etc) as detailed in the original para were not made available to the Audit Team for scrutiny of the expenditure.”

14.4.93: The para was kept pending for verification of record by Audit as it had been contended by the Department that it was repetition of para 6.10.1(16) of 1988-89.

5.6.95: Audit informed the Committee that they were going to Hafizabad for verification of this para. The Committee directed that verification/ reconciliation should be completed within one month. **The para was kept pending.**

116. Para 6.10.1(2): Page 65 – Non-production of Record Rs.66,517

14.4.93: The para was kept pending for verification of record by Audit as it had been contended by the Department that it was repetition of Para 6.10.1.(16) of 1988-89.

5.6.95: Audit informed the Committee that they were going to Hafizabad for verification of this para. The Committee directed that verification/ reconciliation should be completed within one month. **The para was kept pending.**

117. Para 6.10.1(3): Page 65 – Non-production of Record Rs.208,732

14.4.93: Stock entries having been verified by Audit, **the para was settled.**

118. Para 6.10.1(4): Page 65 – Non-production of Record Rs.27,783

14.4.93: The D.P.I. (Schools) assured the Committee that the balance amount of Rs.9,207.30 would be recovered shortly. The para was settled subject to verification of recovery/record by Audit.

5.6.95: The Department explained that entire amount had been recovered and verified by Audit. **The para was settled.**

119. Para 6.10.1(5): Page 65 – Non-production of Record Rs.6,000

14.4.93: The relevant stock entries having been verified by Audit, **the para was settled.**

120. Para 6.10.1(6): Page 65 – Non-production of Record Rs.5,922

14.4.93: The T.A. Bills having been verified by Audit, **the para was settled.**

121. Para 6.10.1(7): Page 65 Non-production of Record Rs.5,000

14.4.93: The necessary record produced to Audit relating to purchase of science apparatus/material worth Rs.5,000 was found in order, **the para was settled** by the Public Accounts Committee.

122. Para 6.10.1(8): Page 65 – Non-production of Record Rs.31,780

14.4.93: Stock entries having been verified by Audit, **the para was settled.**

123. Para 6.10.1(9): Page 65 Non-production of Record Rs.11,159

14.4.93: The necessary record relating to the issuance of medicines had been verified by Audit. **The para was settled.**

124. Para 6.10.1(10): Page 65 – Non-production of Record Rs.43,396

14.4.93: As the stock entries having been verified, **the para was settled.**

125. Para 6.10.1(11): Page 65 – Non-production of Record Rs.14,982

14.4.93: As the necessary stock entries having been verified by Audit, **the para was settled.**

126. Para 6.10.1(12): Page 65 – Non-production of Record Rs.7,472

14.4.93: The record pertaining to the amount of Rs.7,472 had since been verified by Audit, **the para was settled.**

127. Para 6.10.1(13): Page 65 – Non-production of Record Rs.15,104

14.4.93: As the record had since been verified by Audit, **the para was settled.**

128. Para 6.10.1(14): Page 65 – Non-production of Record Rs.12,230

14.4.93: The record had been verified by Audit. **The para was settled.**

129. Para 6.10.1(15): Page 65 – Non-production of Record Rs.15,380

14.4.93: The record had been verified by Audit. **The para was settled.**

130. Para 6.10.1(16): Page 65 – Non-production of Record Rs.190,101

14.4.93: The Department explained that the concerned Headmaster was being proceeded against under the E & D Rules. Till the decision of the regular enquiry, the para was kept pending.

5.6.95: Audit informed the Committee that they were going to Hafizabad for verification of this para. The Committee directed that verification/ reconciliation should be completed within one month. **The para was kept pending.**

131. Para 6.10.1(17): Page 66 – Non-production of Record Rs.7,830

14.4.93: The compliance had been verified by Audit. **The para was settled.**

132. Para 6.10.2(1): Page 66 – Loans out of Medical Fund not Refunded Rs.87,976

Audit had observed: “Under the Provision of Rule 2.20 of PFR Vol.I, every payment must be supported by a voucher. It was observed that the stated amount was drawn out of Medical Fund but no accounts/Vouchers of the amount so drawn were kept. It is, therefore,

held that the said amount was embezzled. The matter needs to be investigated by the Government and suitable disciplinary action be taken against the official held responsible in addition to recovery.”

14.4.93: The record had since been verified by Audit, **the para was settled.**

133. Para 6.10.2(2): Page 66 – Loans out of Medical Fund not Refunded Rs.5,000

14.4.93: The refund of Rs.5,000 had been verified by Audit. **The para was settled.**

The Committee appreciated the efforts of the Secretary Education and his staff in disposing of the work relating to the Public Accounts Committee and desired to bring its appreciation on record.

Excise and Taxation Department

Overview

Total Paras	Revenue Receipts	Commercial
49	48	1

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 9	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Revenue Receipts: 1.1, 1.2, 1.3, 1.4, 1.5, 3.1, 3.2, 3.3,	8
		Commercial: 3(viii)	1
Paras Finally Settled 27	Paras finally settled as the requisite action had been taken.	Revenue Receipts: 2.1, 2.2, 3.4 A(a)(ii), 3.4 A(a)(iii), 3.4 A(a)(iv), 3.4 A(a)(v), 3.4 A(a)(vii), 3.4 A(b), 3.4 A(c)(i), 3.4 A (c)(iii), 3.4 B(b)(i), 3.4 B(c)(i), 3.4 B(c)(ii), 3.4 B(c)(iii), 3.4 B(c)(v), 3.4 B(c)(vi), 3.4 B(d)(i), 3.4 B(d)(ii), 3.4 B(d)(iii), 3.4 B(d)(iv), 3.4 B(d)(v), 3.4 B(d)(vi), 3.4 C(i), 3.4 C(ii), 3.7 A(ii)(b), 3.7 (B), 4.1	27
Paras Conditionally Settled 5	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.	Revenue Receipts: 3.4 A(c)(ii), 3.4 B(a)(i), 3.4 B(a)(ii), 3.4 B(c)(iv), 3.5	5
Paras Pended 8	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Revenue Receipts: 3.4 A(a)(i), 3.4 A(a)(vi), 3.4 A(a)(viii), 3.4 B(b)(ii), 3.6, 3.7 A(i), 3.7 A(ii)(a), 3.7 (ii)(a)	8

Discussed on 14 March 1993 and 30 May 2002

(Revenue Receipts)

1. Para 1.1, 1.2, 1.3, 1.4, 1.5 (Chapter 1): Pages 1-3 Introduction

30-5-02: The paras were noted by the Committee as the same were of descriptive nature.

2. Para 2.1, 2.2 (Chapter 2): Pages 6-16 An overview

30-5-02: The Committee settled the paras as they embodied an overview.

3. Para 3.1, 3.2, 3.3 (Chapter 3): Pages 17-20 Results of Audit

30-5-02: The Committee noted the paras as they contained summary of the results of Audit.

4. Para 3.4 A(a): Page 21 – Non-realization of Property Tax Rs.146,960

(i) E.T.O., Bahawalnagar

14.3.93: The Department stated that the amount recovered so far had been got verified and balance recovery of Rs.45,553 was still outstanding. The Public Accounts Committee directed to effect the recovery expeditiously. **The para was kept pending.**

5. Para 3.4 A(a): Page 21 – Non-realization of Property Tax Rs.89,282

(ii) E.T.O., Zone-IV Lahore

14.3.93: The entire amount of the para viz. Rs.89,282 had been recovered and verified by Audit. **The para was settled.** The Department promised to take disciplinary action against the official responsible for the lapse.

6. Para 3.4 A(a): Page 22 – Non-realization of Property Tax Rs.10,423

(iii) E.T.O., Gujranwala-II

14.3.93: The entire amount of the para had been recovered and got verified by Audit. **The para was settled.**

7. Para 3.4 A(a): Page 22-18 – Non-realization of Property Tax Rs.29,613

(iv) E.T.O., Rawalpindi-I

14.3.93: The Department stated that the entire amount of the para had been recovered/liquidated and verified by Audit. **The para was settled.**

8. Para 3.4 A(a): Page 22 – Non-realization of Property Tax Rs.44,725

(v) E.T.O., Rawalpindi-I

14.3.93: The entire amount of the para was stated to have been recovered and got verified by Audit. **The para was settled.**

9. Para 3.4 A(a): Page 23 – Non-realization of Property Tax Rs.89,468

(vi) E.T.O., Rawalpindi-II

14.3.93: The Department was directed to make all out efforts to recover the balance of Rs.25,348. **The para was kept pending.**

10. Para 3.4 A(a): Page 23 – Non-realization of Property Tax Rs.38,733**(vii) E.T.O., Rawalpindi-II**

14.3.93: Audit stated that the position intimated by the Department had been verified. As the entire amount of the para of Rs.38,733 had been made good/ liquidated and got verified. The Public Accounts Committee **settled the para.**

11. Para 3.4 A(a): Page 24 – Non-realization of Property Tax Rs.16,698**(viii) E.T.O., Mianwali**

14.3.93: The para was kept pending for balance recovery of Rs.12,198.

12. Para 3.4 A(b): Page 25 – Non-realization of Property Tax Rs.40,564

14.3.93: The entire amount had been recovered and verified by Audit. **The para was settled.** However, the need for evolving some effective mechanism to get the matter settled between Cantt Board and the Department was stressed. The Administrative Department was of the opinion that a substantial amount was involved on account of share of property tax from the Cantt Board.

13. Para 3.4 A(c): Page 25 – Non-realization of Property Tax Rs.150,444**(i) E.T.O., Zone-IV Lahore**

14.3.93: The amount recovered/liquidated had been verified by Audit. **The para was settled.**

14. Para 3.4 A(c): Page 26 – Non-realization of Property Tax Rs.204,072**(ii) E.T.O., Zone-VI Lahore**

14.3.93: The Department stated that the entire amount had been recovered/ liquidated. Audit stated that only Rs.94,200 had been verified. **The para was settled** subject to verification by Audit.

15. Para 3.4 A(c): Page 26 – Non-realization of Property Tax Rs.49,500**(iii) E.T.O., Okara**

14.3.93: The entire amount of the para i.e. Rs.49,500 had been recovered and verified by Audit. **The para was settled.**

16. Para 3.4 B(a): Page 27 – Under-assessment/Short Realization of Property Tax Rs.32,633**(i) E.T.O., Zone-IV Lahore**

14.3.93: The para was settled subject to verification of balance recovery by Audit.

17. Para 3.4 B(a): Page 27 – Under-assessment/Short Realization of Property Tax Rs.224,964

(ii) **E.T.O., Zone-V Lahore**

14.3.93: The para was reduced to Rs.69,570. The Department was directed to expedite the balance recovery. **The para was settled** subject to verification of balance recovery by Audit.

18. Para 3.4 B(b): Page 28 – Non-realization of Property Tax due to Unlawful Exemption Rs.11,566(i) **E.T.O., Sialkot**

14.3.93: The entire amount of the para i.e. Rs.11,566 had been recovered and got verified. **The para was settled.**

19. Para 3.4 B(b): Page 28 – Non-realization of Property Tax due to Unlawful Exemption Rs.115,940(ii) **E.T.O., Rawalpindi-II**

14.3.93: The case being subjudice **was kept pending.**

20. Para 3.4 B(c): Page 29 – Short Realization of Property Tax Rs.10,721(i) **E.T.O., Rawalpindi-I**

14.3.93: The entire amount of the para i.e. Rs.10,721 had been recovered/ liquidated and verified by Audit. **The para was settled.**

21. Para 3.4 B(c): Page 29 – Short Realization of Property Tax Rs.23,368(ii) **E.T.O., Rawalpindi-II**

14.3.93: The entire amount of the para i.e. Rs.23,368 had been recovered and verified. **The para was settled.**

22. Para 3.4 B(c): Page 30 – Short Realization of Property Tax Rs.127,123(iii) **E.T.O., Zone-IV Lahore**

14.3.93: The entire amount of the para i.e. Rs.127,123 had been recovered/ liquidated and verified by Audit. **The para was settled.**

23. Para 3.4 B(c): Page 30 – Short Realization of Property Tax Rs.58,858(iv) **E.T.O., Zone-VI Lahore**

14.3.93: The recovery of Rs.23,848 was pending for verification by Audit. **The para was settled** subject to verification by Audit.

24. Para 3.4 B(c): Page 30 – Short Realization of Property Tax Rs.13,296(v) **E.T.O., Faisalabad-III**

14.3.93: The Department stated that the entire amount had been recovered and verified by Audit. **The para was settled.**

25. Para 3.4 B(c): Page 31 – Short Realization of Property Tax Rs.12,824**(vi) E.T.O., Okara**

14.3.93: The entire amount of the para had been recovered and verified by Audit. **The para was settled.**

26. Para 3.4 B(d): Page 31 – Short Realization of Property Tax Rs.9,377**(i) E.T.O., Zone-IV Lahore**

14.3.93: The entire amount recovered & verified by Audit. **The para was settled.**

27. Para 3.4 B(d): Page 31 – Short Realization of Property Tax Rs.16,022**(ii) E.T.O., Zone-V Lahore**

14.3.93: Amount recovered and verified by Audit. **The para was settled.**

28. Para 3.4 B(d): Page 32 – Short Realization of Property Tax Rs.25,260**(iii) E.T.O., Jhelum**

14.3.93: The recovery having been verified by Audit. **The para was settled.**

29. Para 3.4 B(d): Page 32 – Short Realization of Property Tax Rs.22,859**(iv) E.T.O., Rawalpindi-I**

14.3.93: The recovery having been verified by Audit, **the para was settled.**

30. Para 3.4 B(d): Page 32 – Short Realization of Property Tax Rs.43,797**(v) E.T.O., Rawalpindi-II**

14.3.93: The entire amount of the para had been recovered/liquidated and verified by Audit. **The para was settled.**

31. Para 3.4 B(d): Page 32 – Short Realization of Property Tax Rs.12,830**(vi) E.T.O., Attock**

14.3.93: The total recovery of the para i.e. Rs.12,830 having been verified by Audit, **the para was settled.**

32. Para 3.4 C: Page 33 – Short Realization of Property Tax Rs.19,109**(i) E.T.O., Rawalpindi-I**

14.3.93: The Department stated that the entire amount of the para i.e. Rs.19,109 had been recovered and verified by Audit. **The para was settled.** The Department was however, directed to examine the case and if deemed fit, disciplinary action be taken against the official responsible for the lapse.

33. Para 3.4 C: Page 33– Short Realization of Property Tax Rs.45,775**(ii) E.T.O., Rawalpindi-II**

14.3.93: The entire amount of para i.e. Rs.45,775 having been verified by Audit, **the para was settled.**

34. Para 3.5: Page 34-36 – Non-recovery of Token Tax Rs.566,921

14.3.93: The Department explained that the recovery of arrears of token tax was a continuous process, meaning previous arrears were recovered, and the new arrears were added up. Audit emphasized that certain deadline of cases may be determined, and an explanation for the old cases may be given in the working paper. The Committee decided to **settle this para** with the observation that the arrears would be carried over to the next year and certain dying period may be determined by the Department & Audit and in future old case may be explained to the Committee.

35. Para 3.6: Page 36 – Entertainment Tax Rs.18,000

14.3.93: The case being sub-judice, **the para was kept pending.**

36. Para 3.7 A(i): Page 36 – Non-recovery of Cotton Fee Rs.1,138,043

14.3.93: The Department explained that the case was pending in the High Court Rawalpindi Bench. Case being subjudice, **the para was kept pending.**

37. Para 3.7 A(ii)(a): Page 37 – Non-recovery of Cotton Fee Rs.247,348

14.3.93: The para was kept pending for recovery. If the amount involved was not recoverable and the Department was convinced that it was a good case for write off, then the Department should move the Finance Department for write off. **The para was kept pending.**

38. Para 3.7 A(ii)(b): Page 37 – Non-realization of Cotton Fee Rs.24,170

14.3.93: The entire amount had been recovered and verified. **The para was settled.**

39. Para 3.7 B: Page 37 – Short Realization of Cotton Fee Rs.116,489

14.3.93: **The para was settled** as the entire amount of the para had been recovered and got verified.

40. Para 4.1 - Page 39

The Committee **settled the para.**

The Public Accounts Committee appreciated the steps taken by the Administrative Department and strenuous efforts made to effect maximum possible recoveries as pointed out by Audit. The Committee decided to place its appreciation on record.

(Commercial)

41. Para 3(viii): page 6 – Government Opium and Alkaloid Factory Lahore

30-5-02: The Committee noted the para as it pertained to non-submission of accounts.

Food Department

Overview

Total Paras

68

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 6	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 8.1, 8.2, 8.5, 8.6, 8.8, 8.10	6
Paras Finally Settled 21	Paras finally settled as the requisite action had been taken.	Civil: 8.2.1(7), 8.2.1(9), 8.2.1(10), 8.2.2(1), 8.2.2(2), 8.2.3, 8.2.4(1), 8.2.4(3), 8.2.6(2), 8.2.7, 8.5.1, 8.5.3, 8.5.5, 8.6.1, 8.8.3(1), 8.8.3(2), 8.8.3(3), 8.8.3(5), 8.8.4, 8.10.1(1), 8.10.1(2)	21
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.	Civil: 8.1.1(2), 8.5.4	2
Paras Pended 39	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Civil: 8.1.1(1), 8.2.1(1), 8.2.1(2), 8.2.1(3), 8.2.1(4), 8.2.1(5), 8.2.1(6), 8.2.1(8), 8.2.1(11), 8.2.1(12), 8.2.4(2), 8.2.5(1), 8.2.5(2), 8.2.5(3), 8.2.5(4), 8.2.5(5), 8.2.6(1), 8.2.8, 8.2.9, 8.5.2(1), 8.5.2(2), 8.8.1, 8.8.2, 8.8.3(4), 8.8.3(6) Annexure Paras: 35, 8(2), 8(9), 8(10), 5(4), 5(3), 11(1), 16(2), 37(1), 37(2), 42(2), 43, 34(1), 35(1)	25 14

Discussed on 2, 3 February 1993 and 30 May 2002.

(Civil Audit)

1. Para 8.1: Page 71 – Embezzlement Rs.151,200

The Committee noted the para as it contained summary of one case of embezzlement with reference to the undermentioned para 8.1.1.

2. Para 8.1.1 (1): Page 71 – Theft of Empty Gunny Bags Rs.108,000

Audit had observed: “Empty gunny bags valuing to the stated amount were stolen, but no recovery of the loss had been made. The amount of loss may be made good from the official held responsible without further delay. Suitable preventive measures need to be adopted to guard against any future recurrence of such events. No departmental inquiry was held to fix responsibility on the official whose negligence facilitated the loss. The case may be pursued with the police where FIR has been got registered.”

2.2.93: It was reported that the case for write off of the amount involved had already been referred to the Finance Department. **The para was kept pending** for the write off sanction.

3. Para 8.1.1(2): Page 71 – Theft of Empty Gunny Bags Rs.43,200

2.2.93: (i) 5 – Bales

It was stated that one bale had been recovered and verified and the remaining four bales had been written off by the Finance Department. **The item was settled.**

(ii) 2 – Bales

It was stated that total recovery had been made. **The item was settled** subject to verification by Audit.

(iii) One Bale & 463 A Class Bags

It was stated that total recovery had been made. **The item was settled** subject to verification by Audit.

4. Para 8.2: Page 71 – Misappropriation Rs.31,648,690

The Committee noted the para as it contained summary of nine cases of misappropriation with reference to the undermentioned paras 8.2.1, 8.2.2, 8.2.3, 8.2.4, 8.2.5, 8.2.6., 8.2.7, 8.2.8 and 8.2.9.

5. Para 8.2.1(1): Page 72 – Enroute Shortage of Wheat Rs.367,044

Audit had observed: “Enroute shortage of wheat was noticed in various centers by receiving less quantity than that actually dispatched by various centers and thus inflicted heavy loss to Govt. to the extent of the stated amount. The matter needs to be investigated

departmentally to fix responsibility on the defaulters and to recover the loss accrued to Govt. Remedial measures also need to be taken to cope with such shortages.”

2.2.93: 1. Shah Responsible for Shortage of 13,448 M.Tons

Item was kept pending, for recovery.

2. Binishells, Arif Wala – 0.342 M.Tons

Deposited of Rs.917 had been verified. **The item was settled.**

3. Rs.536

Item settled.

4. Rs.2,375

Settled.

5. Rs.677

Settled.

6. Noor Pur – Rs.3,117

Deposit verified. **Settled.**

7. Iqbal Nagar-Rs.3,682.36

Settled Subject to verification.

8. Rs.24,212.18

Kept pending for recovery.

9. Rs.42,847.57

Kept pending for recovery.

10. Rs.3,998 1520 Tons

Deposit was verified and **Settled.**

11. Ghaziabad 4.469 M.Tons

Rs.11,932.23

Deposit verified. **Item was settled.**

12. 20.687 M. Tons – Rs.46,780

Settled subject to verification.

13. Ghaziabad 1.9995 M. Tons – Rs.4,738

Settled subject to verification.

14. Dadfatiana – Rs.891

Amount was recovered and verified. **Item was settled.**

15. Rs.4,738

Settled.

16. Rs.538.46

Deposit verified. **Settled.**

17. Rs.9,147

Deposit verified. **Settled.**

18. Rs.3,204

Deposit verified. **Settled.**

19. Rs.3,244.80

Deposit verified. **Settled.**

20. Bunga Hayat – Rs.6,996.55 Deposit verified. **Settled.**

B. Recovery of Rs.146,870.60 on Account of Enroute

Shortage of 64.987 Tons Wheat

Deposit of Rs.139,988.75 had been verified. **Item was settled.**

6. Para 8.2.1 (2): Page 72 – Enroute Shortage of Wheat Rs.56,582

2.2.93: The Department explained that this para did not relate to the Departmental Finance Committee Sahiwal. Audit explained that efforts were being made to trace out this para in other Districts of the Food Department. **The para was kept pending.**

7. Para 8.2.1(3): Page 72 – Enroute Shortage of Wheat Rs.237,943

2.2.93: (i) Fortabbas Center 0.380 Tons

Deposit verified. **Item was settled.**

(ii) Fortabbas P.R. Center 13.109 Tons.

Deposit Verified. **Settled.**

(iii) Rs.5,002

Deposit verified. **Settled.**

(iv) 18.900 M. Tons Wheat RS.49,140

Entire amount had been recovered and verified. **Settled.**

(v) Rs.1,231

Recovery had been verified. **Item was settled.**

(vi) 107/6-R (9.500) M. Tons Wheat

Item verified and **Settled.**

(vii) Bakshankhan 0.198 Tons Wheat

Amount of deposit verified. **Settled.**

(viii) 203 Murad 1.672 M. Tons Wheat

Settled.

(ix) 10.590 M. Tons

Settled.

(x) Latifabad 22.800 M. Tons 0.285 Tons

Settled.

(xi) Minchinabad 0.375 Tons

Deposit verified. **Settled.**

(xii) Marrot 0.475 M. Tons Wheat

Settled.

(xiii) Dunga Bunga 10.625 M. Tons Wheat.

The Department explained that the recovery was being effected as arrears of land revenue. A criminal case had also been registered against the defaulter. **Item was kept pending** for recovery.

8. Para 8.2.1(4): Page 72 – Enroute Shortage of Wheat Rs.1,358,729

2.2.93: The Department stated that this para did not relate to Bahawalpur Division. Audit explained that efforts were being made to trace these paras in other districts of Food Department. **The para was kept pending** for simultaneous action by the Department and Audit to trace out the para.

9. Para 8.2.1(5): Page 72 – Enroute Shortage of Wheat Rs.472,869**2.2.93: 1. Khanqa Muhammad Pannah Shortage of 8.344 and 3.800 Tons**

The Department imposed recovery of Rs. 21,969.75 which was to be recovered from Mr. Abdul Khaliq FGS as arrears of land revenue. **The item was kept pending** for recovery.

2. P.R. Center Mubarakpur

Deposit verified by Audit. **Item was settled.**

3. Head Rajhan

Deposit verified by Audit. **Item was settled.**

4. Hasilpur to Bahawalpur

Deposit verified by Audit. **Item was settled.**

5. Tailwala to Badami Bagh Lahore

Recovery/deposit/adjustment verified by Audit. **Item was settled.**

6. **Qaimpur**
Deposit verified by Audit. **Item was settled.**
7. **Israni to Attock**
Deposit verified by Audit. **Item was settled.**
8. **Kotla Musa Khan**
Deposit verified. **Item was settled.**
9. **Chak 153 Murad to Binishells**
Deposit verified. **Item was settled.**
10. **Yazman to Mughalpura**
Deposit verified. **Item was settled.**
11. **Bahawalpur to Sheikhupura**
Deposit verified. **Settled.**
12. **Sahiwal to Binishells**
Deposit verified. **Settled.**
13. **Khairpur to Binishells**
Deposit verified. **Settled.**
14. **Jannwala and Binishell**
Verified by Audit. **Settled.**
15. **Binishell to Bahawalpur**
Present balance of 21,000 was to be recovered from two officials. **Kept pending for recovery.**

10. Para 8.2.1 (6): Page 72 – Enroute Shortage of Wheat Rs.598,463

2.2.93: The Department stated that this para did not relate to Bahawalpur Division. Audit Explained that efforts were being made to trace these paras in other districts of Food Department. **The para was kept pending** for verification of record.

11. Para 8.2.1(7): Page 72 – Enroute Shortage of Wheat Rs.122,300

2.2.93: The recoveries having been verified by Audit, **the para was settled.**

12. Para 8.2.1 (8): Page 72 – Enroute Shortage of Wheat Rs.449,608

2.2.93: The Department stated that out of total amount of Rs.449,607.50 an amount of Rs.222,518.50 had been recovered and the balance recovery was being pursued. **The para was kept pending.**

13. Para 8.2.1(9): Page 72 – Enroute Shortage of Wheat Rs.6,271

2.2.93: The actual amount which worked out to Rs.14,968.47 had been deposited and verified by Audit. **The para was settled.**

14. Para 8.2.1(10): Page 72 – Enroute Shortage of Wheat Rs.48,490

2.2.93: The actual amount of the para which worked out to Rs.49,743.25 had been recovered and verified by Audit. **The para was settled.**

15. Para 8.2.1 (11): Page 72 – Enroute Shortage of Wheat Rs.2,789,800

2.2.93: The matter for recovery of the amount had been taken up with the RECP for settlement of the outstanding. The Public Accounts Committee directed the Department to

pursue the matter for early finalization of the case. **The para was kept pending.**

16. Para 8.2.1(12): Page 72 – Enroute Shortage of Wheat Rs.985,228

2.2.93: The Department stated that the para did not relate to Bahawalpur Division. Audit explained that efforts were being made to trace the para in other districts of the Food Department. **The para was kept pending** for verification of record.

17. Para 8.2.2 (1): Page 73 – Replacement of A-Class Gunny Bags with B-Class Rs.96,000

Audit had observed: “The wheat procurement policy for 1986-87 provided the use of new “A” class bags with departmental “Marka” for the purchase/despatch of wheat. In the following cases “B” class bags were used instead of “A” class bags by arranging “B” class bags privately and thus misappropriating the new bags causing loss to the state to the extent given below, which needs to be investigated departmentally for the recovery of the loss sustained by Government.”

2.2.93: The actual amount of the para i.e. Rs.43,200 had been deposited, verified by Audit, **the para was settled.**

18. Para 8.2.2 (2): Page 73 – Replacement of A-Class Gunny Bags with B-Class Rs.63,776

2.2.93: The Department stated that actually there was no conversion of “A Class” bags to “B Class” bags. The actual position had been verified by Audit. **The para was settled.**

19. Para 8.2.3: Page 73 – Less Despatch of Wheat Rs.25,343

Audit had observed: “The Centre Incharge of Wheat Purchase Centre, Khiddarwala despatched less wheat to the extent of 103 bags of wheat containing 9.785 M.Tons to P.R. Centres than that actually purchased, by recording incorrect entries in the relevant Stock Register. The matter needs to be investigated departmentally for recovery from the official held responsible for the same.”

2.2.93: The actual position had been verified by Audit. **The para was settled.**

20. Para 8.2.4(1): Page 74 – Fictitious Despatch/Issue of Wheat/Gunny Bags Rs.33,290

Audit had observed: “Empty gunny bags received from various quarters were not taken in stock and apparently misappropriated. The matter needs to be looked into for recovery from defaulter.”

2.2.93: As the deposit had been verified, **the para was settled.**

21. Para 8.2.4 (2): Page 74 – Fictitious Despatch/Issue of Wheat/Gunny Bags Rs.995,520

2.2.93: Item No.1,2,3,4,6,7,8,9,10,11 & 12 having been verified by Audit and **were settled.**

Item No.5.23687 D-Class bags at Iqbalabad **was kept pending** for recovery.

Recoveries pertaining to rest of the centres had been effected and deposited. As the deposits had been verified by Audit, **the Items 1,2,3,4,6,7,8,9,10,11 & 12 were settled.**

22. Para 8.2.4 (3): Page 74 – Fictitious Despatch/Issue of Wheat/Gunny Bags Rs.1,693,272

2.2.93: The accountal/deposit/record having been verified by Audit in all the cases, **the para was settled.**

23. Para 8.2.5(1): Page 74 – Godown Shortage of Wheat Rs.5,876,025

Audit had observed: “In spite of sufficient arrangements of safe custody of stocks, heavy godown damaged wheat shortage/damaged wheat was shown in various centers to conceal misappropriation. The matter needs to be investigated departmentally to fix responsibility for such heavy damage and to recover the cost from the official held responsible.”

- 2.2.93:**
- 1) **136/p.22.718 M. Tons**
Recovery deposit had been verified. **Item was settled.**
 - 2) **Wahid Bux Lar 56.520 M. Tons**
Recovery deposit had been got verified. **The item was settled.**
 - 3) **P.R. Center Bagho Bahar 5.415 M. Tons**
Amount recovered and deposited. **Settled.**
 - 4) **P.R. Center Iqbalabad 1952.245 M. Tons**
The Case pertaining to the recovery of Rs.5,075,837 had been referred to the District Collector, Rahim Yar Khan to effect recovery as arrears of land revenue. **The item was kept pending** for recovery.
 - 5) **P.R. Center Chak No. 64132.105 Tons**
Item was kept pending for recovery of the amount as arrears of land revenue.
 - 6) **P.R. Center Chak No. 70/Abbasia 23.245 M. Tons**
Item was kept pending for recovery of the amount as arrears of land revenue.
 - 7) **22013 Empty Bags – Rs.440,260**
The explanation of the Department was accepted and **the item was settled.**

24. Para 8.2.5(2): Page 74 – Godown Shortage of Wheat Rs.2,961,975

- 3.2.93:**
- 1) **P.R. Center Arifwala**
The official concerned Mr. Muhammad Ramzan, Assistant Food Controller was proceeded against under Efficiency and Discipline Rules. A recovery of Rs.455,528.50 had been imposed. The official had filed an appeal in the Punjab Services Tribunal. The case being subjudice, **the item was kept pending.**
 - 2) **Noorpur**
The official concerned Mr. Muhammad Arif, Assistant Food Controller was held responsible for the loss of 36.090 M.Tons of wheat. Since the Department was holding an enquiry against him, **the item was kept**

pending.

3) **Dad Fatiana 3.803 M. Tons**

Write off sanction for Rs.5,782.62 and deposit of Rs.1,680 had been got verified. **The item was settled.**

The Committee directed that, in future, the reasons for Write-off should also be given in the departmental explanation.

4) **Dad Fatiana 3.215 M. Tons**

The entire loss of Rs.8,616.20 had been written off and verified by Audit. **The item was settled.**

5) **182/9-L – Rs.717,360**

The case was subjudice in the Lahore High Court. **The item was kept pending.**

6) **Kamand 155.750 M. Tons Wheat**

The recovery was being pursued by the Department. **The item was kept pending.**

7) **170/9-1 (35.910 M. Tons Wheat)**

The recovery was being pursued by the Department. **The item was kept pending.**

8) **170/9-1 (166.242 M. Tons Wheat)**

The recovery was being pursued by the Department. **The item was kept pending.**

9) **Iqbalnagar**

The Department was making efforts to recover the amount of Rs.419,040. **The item was kept pending.**

10) **Noorpur**

The item was kept pending for finalization of inquiry and recovery.

11) **Dad Fatiana 15.215 M. Tons Wheat**

Recovery of Rs.20,010 had been made and got verified. The balance recovery of Rs.20,000 had also been made by the Department. **The item was settled** subject to verification by Audit.

12) **Bunga Hayat 26.325 M. Tons of Wheat**

The item was kept pending for balance recovery of Rs.49,241.60 and its verification.

13) **Iqbalnagar 30.940 M. Tons of Wheat**

The recovery imposed amounting to Rs.80,134.60 was to be effected as arrears of land revenue. **The item was kept pending** for recovery.

25. Para 8.2.5(3): Page 74 – Godown Shortage of Wheat Rs.1,598,185

3.2.93: 1) Ahmedpur East 14.825 M. Tons

The sanction of the Competent Authority for write off of the entire amount involved was being pursued. **The item was kept pending.**

The Committee suggested that the Administrative Department may fix a meeting with the Finance Department for disposal of pending write off cases and Audit may also attend such meetings.

2) **Head Rajakan 28.215 M.Tons**

Recovery deposit of Rs.19,359 and write off sanction had been

verified. **The item was settled.**

3) **Mubarkpur 4.770 M. Tons**

Recovery deposit of Rs.5,061.45 and write off sanction of 2.833 tons valuing Rs.7,340.54 had been verified. **The item was settled.**

4) **Asrani 44.350 M. Tons**

The case for write off of the amount was pending with the concerned authority. **The item was kept pending** for write off/recovery by the Department.

5) **Hasilpur 29.855 M. Tons**

An amount of Rs.20,000 had been recovered and got deposited and verified. The balance amount of Rs.259,411 would be recovered from the official concerned. **The item was kept pending.**

6) **Yazman 48.415 M. Tons**

The Department explained that recovery deposit of Rs.6,178 and write off sanction valuing Rs.119,701 had been issued and verified by Audit. The Committee observed that write off had been resorted to lavishly. The Committee directed that the inquiry report and order of the Competent Authority be provided to the Public Accounts Committee within a week. **The item was kept pending.**

7) **Bahawalpur 188.485 M. Tons**

The item was kept pending for recovery of write off.

8) **Binishells Bahawalpur Rs. 327.912 M. Tons**

The item was kept pending for the balance recovery of Rs.659,486.16.

26. Para 8.2.5(4): Page 74 – Godown Shortage of Wheat Rs.84,887

3.2.93: It was stated that the case of write off had been referred to the Finance Department. **The para was kept pending.**

27. Para 8.2.5(5): Page 74 – Godown Shortage of Wheat Rs.4,037,993

3.2.93: Centrewise position was as under:-

1) **Haroonabad Rs.200,416.80**

The case for write off sanction was under process. **The item was kept pending.**

2) **Faqirwali Rs.92,942.15**

Recovery deposit of Rs.45,301 had been verified by Audit. **The item was settled.**

3) **Fortabbas Rs.246,593.90**

The actual amount of Rs. 140,460 had been recovered and verified. **The item was settled.**

4) **167/6-R Rs.36,234.40**

The item was kept pending for recovery.

5) Rs.11,797.45

The entire amount of Rs.11,843 had been recovered and deposited and got verified. **The item was settled.**

6) Rs.146,354

The item was kept pending for recovery or write off and report to the PAC.

7) 60/4-R Rs.107,939

Recovery of Rs.120,582 had been verified. For the balance recovery of Rs.241,164, **the item was kept pending.**

8) 311/ Rs.30,108.40

The item was kept pending for recovery of write off.

9) 134/Murad Rs.214,309.43

The item was kept pending for recovery.

10) Donga Bonga Rs.12,302.50

The item was kept pending for recovery.

11) Chishtian Rs.101,230.15

The case was under process with the Regional Office. They decided to recover an amount of Rs.28,736.40 and remaining godown loss of 28.200 M. Tons valuing Rs.73,448 to be written off. The case for the loss of Rs.182,442 had also been recommended for write off by the Competent Authority. **The item was kept pending** for recovery or write off.

12) 12/Gilani Rs.123,348.75

Deposit of Rs.95,903 being the cost of 36.885 M. Tons had been got verified. Shortage of 10.339 M. Tons got written off by the Competent Authority. **The item was settled.**

13) P.R. Centre Bahawalnagar Rs.43,136.45

The item was settled as the deposit of the entire amount of Rs. 44,468 had been verified by Audit.

28. Para 8.2.6 (1): Page 75 – Irregularities in Bardana Account Rs.1,489,002

Audit had observed: “Loss to the stated extent, was sustained due to non-recovery of gunny bags from growers dealers, Coop. Societies as in original para etc. In some cases, the empty gunny bags were less accounted for in the Inventory Register and excess issuance of bags to flour mills for grinding purpose. Necessary investigation may be made to affect recovery from the defaulters. The failure of the departmental Authority to detect these misappropriations indicates the loose control on the subordinate officials.”

3.2.93: 1) Sahiwal (3095 Bags)

Recovery having been verified by the Audit, **the item was settled.**

2) (785 Bags)

Recovery having been verified by Audit, **the item was settled.**

3) Rang Shah (447 Bags)

The Department was directed to effect recovery expeditiously.

The item was kept pending.

4) Harappa (485 Bags)

The item stood settled in the Public Accounts Committee meeting held on 27/28-3-1990 at the time of discussion of para 6.8.2 for 1985-86. The item being duplication of para 6.8.2 for 1985-86, **was settled.**

5) Ghaziabad (4490 Bags)

The Department was directed to effect recovery from Co-operative societies and got verified by Audit. **The item was kept pending.**

6) Dad Fatiana (3830 Bags, 3000 Bags, 270 Bags and 300 Bags)

The Public Accounts Committee directed that these items would stand here and deleted from the Report of 1985-86. **The item was settled.**

Dadfatiana (940 Bags)

The recovery had been verified by Audit, **the item was settled.**

7) Bunga Hayat (275 Bags)

The amount deposited having been verified by Audit, **the item was settled.**

8) Qadirabad (5632 Bags)

The item was settled subject to verification of recovery of the balance of 1893 bags.

9) Noor Shah (658 Bags)

The item was settled subject to verification of the recovery of the balance bags.

10(a) Muhammad Pur 214 Bags, 218 Bags, 406 Bags, 126 Bags, 25 Bales & B(i) Bag, 200 "B Class" Bags, 164 "A Class" Bags, 10 Bales of "A Class" to B(ix) Bags, 245 "A Class" Bags, 768 Bags and 481 "A Class" Bags

Recovery/Accountal had been verified by Audit, **the items 10 (a) and B(i) to B(vii) were settled.**

10-b(x) Misappropriation of 806 "A Class" Bags Valuing Rs.14,508

The Public Accounts Committee directed the Department to effect the recovery expeditiously. **The item was kept pending.**

10-c Misappropriation of Bags

(i) Misappropriation of 60 "A class" Bags Valuing Rs.1,080

The recovery having been verified by Audit, **the item was settled.**

(ii) Misappropriation of 142 "A Class" Bags, Valuing Rs.2,556

The item was settled subject to verification of recovery by Audit.

(iii to Misappropriation of Bags

viii) Recovery/Accountal of bags having been verified by Audit, the items were settled.

10-d (i to vi) Likely Misappropriation of “A Class” Gunny Bags

Recovery/Accountal of bags having been verified by Audit, **the items were settled.**

29. Para 8.2.6(2): Page 75 – Irregularities in Bardana Account Rs.14,400

3.2.93: Record had been verified by Audit. **The para was settled.**

30. Para 8.2.7: Page 75 – Misappropriation of Wheat Rs.191,738

Audit had observed: “(i) 4370 Bags of Wheat were actually despatched to Islamabad as against 4390 Bags reduced from Stock Registers. Thus 20 Bags of wheat valuing Rs.5,180 were misappropriated;

(ii) 12 M.tons wheat was shown as sold in P. R. Centre 311/MR but actually 11.97 M.Tons was sold. Hence 30 K. G wheat was misappropriated; and

(ii) 10326.575 M.Tons wheat was shown as locally sold as per stock report at P.R. Centre Chistian but according to Sale Register actually 10172.400 M.Tons wheat was sold resulting a difference of 154.175 M.Tons. Later on Sale Proceeds of 82.175 M. Tons declared as damaged was deposited. The remaining 72.00 M. Tons Wheat worth Rs.186,480 was therefore, misappropriated.

The matter needs to be investigated departmentally to fix responsibility for misappropriation and to recover the loss from the defaulters.”

3.2.93: Record/deposit had been verified. **The para was settled.**

31. Para 8.2.8: Page 76 – Misappropriation of Gunny Bags by Fictitious Issue of Bags etc. Rs.312,888

Audit had observed: “(i) 1400 “B” Class Gunny Bags were reduced in the Inventory Register without showing any despatch;

(ii) 56 “A” Class Empty Gunny bags received from Mianwala Banglow were not accounted for in the Inventory Register; and

(iii) 5000 filled bags of wheat and 6540 “B Class” empty gunny bags were not carried forward to the next year.

The matter needs departmental inquiry to fix responsibility for the same.”

3.2.93: (A) Minchinabad

Record had been verified by Audit. **The item was settled.**

(B) Mianwala Bangla

Record had been verified by Audit. **The item was settled.**

(C) (i) Record had been verified by Audit and the item was

settled.

(ii) As regard to declassification of 3000 “B Class” bags, the inquiry was in process. **The item was kept pending.**

(D) **Donga Bonga**

Accountal had been verified by Audit. **Item was settled.**

(E) **Bahawalnagar**

Accountal had been verified by Audit. **Item was settled.**

32. Para 8.2.9: Page 76-77 – Posting of Foodgrain Supervisor as Incharge of Two Centres Rs.4,681,069

Audit had observed: “A supervisor instead of an Inspector or A.F.C was given the charge of two purchase centers continuously for three years i.e. 1986-87, 1987-88 and 1988-89 who misappropriated wheat valuing the stated amount. Matter needs investigation regarding posting of a supervisor as incharge of not only one but of two centers continuously for three years and without keeping watch on him, which resulted in misappropriation of huge quantity of wheat. The case was stated to have been handed over to Anti-corruption Authority which may be pursued vigorously till the recovery of the amount misappropriated by the culprit.”

3.2.93: It was stated that a criminal case was under trial in the court of Special Judge Anti Corruption Bahawalpur. The departmental inquiry was also in progress. The Public Accounts Committee directed the Administrative Department to get the departmental inquiry completed within one and half month. **The para was kept pending.**

33. Para 8.5: Page 77 – Negligence Rs.1,504,492

The Committee noted the para as it contained summary of five cases of negligence with reference to the undermentioned paras 8.5.1, 8.5.2, 8.5.3, 8.5.4, and 8.5.5.

34. Para 8.5.1: Page 77 – Acceptance of Damaged Gunny Bags Rs.26,928

Audit had observed: “Gunny bags for the stated amount were shown in the stock register as “found damaged at the time of opening of bales”, but the matter was not taken up with the jute mill. Necessary steps may be taken to recover the loss from the mill concerned or value thereof, recovered from the official responsible for accepting the damaged bags.”

3.2.93: The facts had been verified by Audit. **The para was settled.**

35. Para 8.5.2(1): Page 78 – Damage of Gunny Bags in Transit Rs.32,400

Audit had observed: “Gunny bags despatched from one P.R. Centre to another, were found damaged as stated in original para and thus sustained a loss to the Government to the extent of the stated amount. Necessary investigation needs to be made in this respect for recovery of the loss from the defaulter.”

3.2.93: It was stated that loss on account of 6 damaged bales valuing Rs.34,200 instead of Rs.32,400 had been recovered and deposited. **The para was kept pending** for verification by Audit.

36. Para 8.5.2(2): Page 78 – Damage of Gunny Bags in Transit Rs.28,000

3.2.93: It was stated that Mr. Tajmal Hussain FI (Dismissed), and Mr. Asad Ullah Nasir, Ex-General Secretary (Finance) (Dismissed) had been held responsible for showing 1700 “A class” and 375 “B class” gunny bags as damaged. The Department imposed recovery on them and decided to recover the amount as arrears of land revenue. **The para was kept pending** for recovery.

37. Para 8.5.3: Page 78 – Wheat Damaged due to Prolonged Storage Rs.82,950

Audit had observed: “21518.600 M.Tons wheat and 239 A class bags lying at P.R. Centre Usmanwala and 9724 M.T. Wheat at Habeebabad P.R. Centre was damaged due to prolonged storage and non-issuance to the other needy centres. This negligence needs to be investigated and recovery made good from the responsible officials.”

3.2.93: The Department explained that the entire loss including incidental charges had been written off and auction money amounting to Rs.2,500 got deposited and verified. The write off and deposits had been verified by Audit. **The para was settled.**

38. Para 8.5.4: Page 78-79 – Non-deposit of Auction Money Rs.103,500

Audit had observed: “Two Govt. vehicles were auctioned on 5.4.1987 but auction money mentioned above was not deposited into Government Treasury. The amount may be deposited into Government Treasury without any further delay, and the delay in doing so may be investigated.”

3.2.93: **The para was settled** subject to verification by Audit.

39. Para 8.5.5: Page 79 – Undue Retention of Government Money Rs.1,230,714

Audit had observed: “A sum of Rs.3,305,800 was paid to P.W.D during June 1986 and November 1986 for repair of godown/roads of various P.R. Centres. Out of the said amount, a sum of Rs.1,230,714 was still lying unspent with that department and the work was left incomplete. The undue retention of Govt. money was against the provisions contained in Rule 2.10(b)(5) of P.F.R Vol. I. The irregularity needs to be condoned with the sanction of the Competent Authority and P.W.D. needs to be pursued for early completion of the work”.

3.2.93: The explanation of the Department was accepted. **The para was settled.**

40. Para 8.6: Page 79 – Rules Violation Rs.884,309

The Committee noted the para as it contained summary of one case of violation of rules with reference to the undermentioned para 8.6.1.

41. Para 8.6.1: Page 79-80 – Unauthorised Adjustment Against Enroute Shortage

Rs.884,309

Audit had observed: “Enroute shortage of wheat pointed out by receiving centers was adjusted subsequently, by supplying excess quantity of wheat to cover the enroute shortage which was not permissible under the standing orders of the Government. The matter may be investigated departmentally to fix responsibility for enroute shortage and to recover the cost from the official held responsible for the same. The source from which the excess wheat was supplied subsequently also needs to be looked into.”

3.2.93: Record had been verified by Audit. **The para was settled.**

42. Para 8.8: Page 80 – Recovery Outstanding Rs.2,998,370

The Committee noted the para as it contained summary of four cases of outstanding recovery with reference to the undermentioned paras 8.8.1, 8.8.2, 8.8.3 and 8.8.4.

43. Para 8.8.1: Page 80 – Recovery of Outstanding Advances out of PLA Account Rs.1,198,643

Audit had observed: “The PLA Account was stopped w.e.f. 1.7.1985. The advances paid to the Center incharges of the different storage centers as stated in original para upto 30.6.1985 were not recovered inspite of, lapse of three years. Immediate action should be taken for the recovery of the same.”

3.2.93: 1. Storage Centre Multan Rs.852,818

The balance recovery/adjustment of Rs.598,078.97 had been effected and got verified by Audit. **The para was kept pending.**

2. Lodhran Rs.36,594**3. Shujaabad Rs.285.30****4. Jalalpur Rs.1,933**

The Adjustment/recovery had been verified by Audit, **the items were settled.**

5. Dunyapur Rs.57,012

The PAC directed that the balance recovery either be effected or adjustment made without any further delay. However, **the item was settled** subject to verification of recovery/Adjustment.

6. Dildar Hussain Rs.150,000

The Public Accounts Committee directed the Department to trace out the cash book and get it verified by Audit. **The item was kept pending.**

44. Para 8.8.2: Page 80-81 – Non-recovery of Cost of Gunny Bags Rs.1,526,456

Audit had observed: “190807 ‘B’ Class gunny bags of the stated amount were declassified as ‘D’ class by the Deputy Director Food, Lahore, subject to the condition that the loss involved should be made good from the defaulting staff of despatching centers. No recovery of the loss was made so far. Immediate steps need to be taken to recover the said amount without further delay so that the loss may not render irrecoverable with the passage of time”.

3.2.93: 1. Non-Recovery of Cost of 5296 Gunny Bags

Auctioned amount of Rs.18,827 had been deposited and recovery had been verified by Audit, **the item was settled.**

2. Non-Recovery of Cost of 65572 Bags

The Public Accounts Committee directed the Department to effect recovery within two months. **The item was kept pending.**

3. Non-recovery of the Cost of Rs.42,689 Bags

Write off sanction having been verified by Audit, **the item was settled.**

4. Non-Recovery of the Cost of Rs.29,151 Bags

The Public Accounts Committee directed the Department to send the case of write off to the Finance Department. **The item was kept pending.**

5. Non-Recovery of 10720 Bags**6. Non-Recovery of 17759 Bags****7. Non-Recovery of 19620 Bags**

Recovery having been verified by Audit, **the items were settled.**

45. Para 8.8.3(1): Page 81 – Non-recovery of Gunny Bags Rs.5,000

Audit had observed: “During the wheat purchase schemes empty gunny bags issued to growers/Sellers, were required to be received back within a week after issue, but the same were not taken back. All out efforts should be made either to get back the same without further delay or to recover the cost thereof as stated above.”

3.2.93: The record had been verified by the Audit. **The para was settled.**

46. Para 8.8.3(2): Page 81 – Non-recovery of Gunny Bags Rs.31,520/

3.2.93: The accountal had been verified by Audit. **The para was settled.**

47. Para 8.8.3(3): Page 81 – Non-recovery of Gunny Bags Rs.34,260

3.2.93: The accountal had been verified by Audit. **The para was settled.**

48. Para 8.8.3(4): Page 81 – Non-recovery of Gunny Bags Rs.46,008

3.2.93: The para was kept pending for recovery.

49. Para 8.8.3(5): Page 81 – Non-recovery of Gunny Bags Rs.81,198

3.2.93: Recovery/record had been verified by Audit. **The para was settled.**

50. Para 8.8.3(6): Page 81 – Non-recovery of Gunny Bags Rs.29,574

3.2.93: The case for write off of 1077 bags stated to have been referred to the Competent Authority, **was kept pending.** The remaining portion was settled.

51. Para 8.8.4: Page 81-82 – Excess Payment on Account of Transportation Charges Rs.45,711

Audit had observed: “Excess payment on account of transportation charges of wheat

stocks from one storage/purchase center to other was made to the contractors due to accepting excess mileage than those assessed by the Regional Food Party and Storage officer, Multan. Thus undue favour was extended to the contractor. The matter needs to be probed into and recovery of excess payment be made good from the contractor or the officials responsible for allowing excess payment.”

3.2.93: As the position had been verified by Audit, **the para was settled.**

52. Para 8.10: Page 82 – Record Non-production Rs.567,371

The Committee noted the para as it contained summary of one case of non-production of record with reference to the undermentioned para 8.10.1.

53. Para 8.10.1 (1): Page 82 – Fictitious Despatch/Issue Rs.465,314

Audit had observed: “Stock articles and wheat for the stated amount were shown as issued/despached but the supporting documents of despatch and receipt were not produced.”

3.2.93: Record being verified by Audit, **the para was settled.**

54. Para 8.10.1(2): Page 82 – Fictitious Despatch/issue Rs.102,057

3.2.93: The accountal had been verified by Audit. **The para was settled.**

The Committee appreciated the performance of the Food Department in disposing of the Draft Paras and wished to place its appreciation on record.

Forestry, Fisheries, Wildlife and Tourism Development Department

Overview

Total Paras	Civil	Commercial
72	71	1

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 8	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 7.6, 7.8, 9.1, 9.3, 9.4, 9.5, 9.6, 9.8	8
Paras Finally Settled 46	Paras finally settled as the requisite action had been taken.	Civil: 9.3.1(1), 9.3.1(2), 9.3.1(3), 9.3.1(4), 9.4.1(2), 9.4.1(3), 9.4.1(4), 9.4.1(5), 9.4.1(6), 9.4.1(7), 9.4.1(8), 9.4.1(9), 9.4.1(10), 9.4.1(11), 9.4.1(12), 9.4.1(13), 9.4.1(14), 9.4.1(15), 9.4.1(16), 9.4.1(17), 9.4.1(18), 9.4.1(19), 9.4.1(20), 9.5.1(2), 9.5.1(3), 9.6.1, 9.6.2, 9.6.3, 9.8.1(2), 9.8.1(3), 9.8.1(5), 9.8.1(6), 9.8.1(7), 9.8.1(8), 9.8.1(9), 9.8.1(10), 9.8.1(11), 9.8.1(12), 9.8.1(13), 9.8.2(1), 9.8.2(2), 9.8.2(3), 9.8.2(4), 9.8.3(1), 9.8.4. Commercial: 3(ix).	45 1
Paras Conditionally Settled 4	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.	Civil: 9.1.1, 9.5.1(1), 9.5.1(4), 9.8.1(4).	4
Paras Pended	Paras pended either because the Department had not taken	Civil: 7.6.1(1), 7.6.1(2), 7.6.1(3), 7.6.2, 7.8.1, 9.4.1(1), 9.8.1(1), 9.8.3(2)	8

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satisfactory action or the working papers had not been submitted.

Annexure Paras: 1(xii), 53(1), 133(4), 133(5), 49, 50.**6**

Discussed on 12 January 1993, 1 January 1995, 16 October 1996 and 30 May 2002.

(Civil Audit)

1. Para 7.6: Page 68 – Rules Violation Rs.363,492

30.5.02: The Committee noted the para as it contained summary of two cases of violation of rules with reference to the undermentioned paras 7.6.1 and 7.6.2.

2. Para 7.6.1(1): Page 68 – Expenditure Beyond Competency Rs.18,000

Audit had observed: “Expenditure on purchase of furniture/Machinery, in cases of serial No.1 to 3 below, was incurred without obtaining the sanction of the Competent Authority.”

12.1.93: The para was kept pending.

3. Para 7.6.1(2): Page 68 – Expenditure Beyond Competency Rs.67,404

12.1.93: The para was kept pending.

4. Para 7.6.1(3): Page 68 – Expenditure Beyond Competency Rs.10,648

12.1.93: The para was kept pending.

5. Para 7.6.2: Page 68 – Loss due to Auction of Water Area for Fishing at Lower Rates of Preceding Years Rs.267,440

Audit had observed: “The stated amount represents the loss sustained by Govt, due to auction of different water areas for fishing rights at the rates 30 to 50% less than the rates of preceding years. The lower rates were due to the fact that wide publicity was not given in the Newspapers. The loss needs to be investigated departmentally and either the person at fault or, got written off with the sanction of the Competent Authority.”

12.1.93: Regarding a low bid in the auction of fishing rights the Department explained that it was due to fluctuation in water areas and the pooling of contractors which could not be avoided. However, there was no over-all loss to the Government. This year, due to recent floods, the income of the Department had been doubled. The Department offered to put one of the officers from the Audit Department responsible for the auctioning of fishing rights, which was agreed to by Audit. The Department was directed to hold an inquiry whether the auction was fair or not. **The para was kept pending.**

6. Para 7.8: Page 69 – Recovery Outstanding Rs.314,535

30.5.02: The Committee noted the para as it contained summary of one case of outstanding recovery with reference to the undermentioned para 7.8.1.

7. Para 7.8.1: Page 69 – Non/Less Recovery of Arrears of Lease Money Rs.314,535

Audit had observed: “The auction papers of fishing right and other relevant records of Tehsil Sadikabad and Khanpur for the year 1980-81 and 1987-88 had shown that the stated amount was recoverable from the contractors on account of installments of bid, but the same was not recovered in time and is lying outstanding in the books of the office. Effective steps are required to be taken to recover the same.”

12.1.93: The Department was directed to make vigorous efforts for the recovery pertaining to the lease money. **The para was kept pending.**

8. Para 9.1: Page 84 – Embezzlement Rs.45,000

30.5.02: The Committee noted the para as it contained summary of one case of embezzlement with reference to the undermentioned para 9.1.1.

9. Para 9.1.1: Page 84 – Loss of Public Money Rs.45,000

Audit had observed: “The stated amount was drawn from the bank on 1.3.1987 by the Forest Range Officers but snatched by the dacoits. The loss may be made good in light of the police findings or got written off.”

12.1.93: It was explained to the Committee that two Range Forest Officers withdrew money from the bank and, while on their way, they were attacked by four dacoits and the money was taken away. A case was lodged with the Civil Lines Police Station, Lahore, on the very date. As result of departmental inquiry, Mr. Zaka-ud-Din Butt, Forest Range was exonerated by the Competent Authority for the loss of Rs.35,000. Case for the write off of Rs.35,000 had been submitted to the Finance Department.

For the loss of Rs.10,000, inquiry was in progress against Mr. Muhammad Yousaf Piracha, Forest Range. Final result, as and when decided, would be communicated to the PAC. Audit suggested that the Department should provide guards to the personnel handling cash from the bank. The Department promised to act upon the advice of Audit. The para was kept pending.

1.1.95: The Department explained that the loss of Rs.45,000 was due to dacoity from the two Forest Ranges. Case had been lodged with the Police who, consequently, declared the culprits untraceable. Loss of Rs.35,000 had been written off by the Competent Authority and verified by Audit. While case for the write off for the amount of Rs.10,000 was under way. Subject to sanction of the write off and its verification by Audit, **the para was settled.**

10. Para 9.3: Page 84 – Overpayment Rs.65,752

30.5.02: The Committee noted the para as it contained summary of one case of overpayment with reference to the undermentioned para 9.3.1.

11. Para 9.3.1 (1): Page 84 – Excess Payment of House Rent/Conveyance Allowance/T.A/D.A Rs.7,779

Audit had observed: “Amount to the stated extent was overpaid on account of house rent, conveyance allowance, T.A and D.A to certain officers/officials to which they were not entitled under the relevant rules. This needs to be recovered from the officers/officials concerned.”

12.1.93: The Department explained that correspondence was going on with the Finance Department for seeking of clarification whether government servants who were posted and residing in the same colony were eligible for conveyance allowance or not. However, recoveries had been started by the Department inspite of this confusion and Rs.200 had been recovered. As the recoveries had been started and entered in Form 11, explanation of the Department was accepted and **the para was settled.**

12. Para 9.3.1 (2): Page 85 – Excess Payment of House Rent/Conveyance Allowance/T.A/D.A Rs.9,916

12.1.93: The Department explained that correspondence had been going on with the Finance Department for seeking clarification whether government servants who were posted and residing in the same colony were eligible for conveyance allowance or not. However, recoveries had been started by the Department inspite of this confusion and Rs.200 had been recovered. As the recoveries had been started and entered in Form 11, explanation of the Department was accepted and **the para was settled.**

13. Para 9.3.1 (3): Page 85 – Excess Payment of House Rent/Conveyance Allowance/T.A/D.A Rs.14,227

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled.**

14. Para 9.3.1 (4): Page 85 – Excess Payment of House Rent/Conveyance Allowance/T.A/D.A Rs. 33,830

12.1.93: The Department informed the Committee that the site office of Research Officer was hired at Faisalabad and the officers and staff had to supervise the construction work at site situated at a distance of 17½ kilometers and were thus eligible for TA/DA under the rules. The

low paid employees were involved and the payment of TA/DA was justified. **The para was settled.**

15. Para 9.4: Page 85 – Non-Accountal Rs.860,641

30.5.02: The Committee noted the para as it contained summary of one case of non-accountal with reference to the undermentioned para 9.4.1.

16. Para 9.4.1(1): Page 85 – Store/Stock Articles not Accounted for Rs.23,690 now Reduced to Rs.14,464.80

Audit had observed: “Under rule 15.4 of P.F.R Vol.I every Stock/Store article procured should be entered in the stock register. In violation of the above rule, Sheesham stumps, seeds, chemicals and other store articles of the stated value were either not accounted for in the relevant stock registers or the consumption was not shown in the relevant record, which is indicative of the lack of internal control by the Head of the concerned offices.”

12.1.93: (i) Regarding shortage of stumps, it was explained that the defaulter had since been dismissed from service and efforts were being made to recover the amount as arrears of land revenue. The District Collectors of Sargodha and D.G. Khan had intimated the Department that the defaulter had no property in his name. The Department was directed to pursue the case vigorously for recovery of Rs.14,464.80. The item was kept pending.

(ii) Disposal of 150 mounds of Sheesham seed amounting to Rs.9,225 had been verified by Audit, the item was settled.

1.1.95: In this case, the officer Mr. Razi-ud-Din, Forest Range had been dismissed from service as a result of twelve fraudulent cases against him. The District Collectors of Dera Ghazi Khan and Sargodha were approached for recovery of the amount as arrears of land revenue but both of them had reported that the defaulter did not have any movable/immovable property. The Department had again asked both the Collectors to ensure the non-existence of property in the defaulter’s or his heirs’ name.

The Committee directed that the Department should supply full details of the five cases against the dismissed officer indicating occurrences of these cases date-wise from first to the fifth. Details should also be furnished as to when the irregularity was committed and who was officer incharge at that time and what action had been taken. It was also directed that Collectors of Dera Ghazi Khan and Sargodha, along with the Tehsildar (Recovery), should also be asked to attend the next meeting of the Public Accounts Committee along with complete record pertaining to the action taken by them for the recovery. **The para was kept pending.**

17. Para 9.4.1(2): Page 85 – Store/Stock Articles not Accounted for Rs.24,350

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

18. Para 9.4.1(3): Page 85 – Store/Stock Articles not Accounted for Rs.43,216

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

19. Para 9.4.1(4): Page 85 – Store/Stock Articles not Accounted for Rs.9,156

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

20. Para 9.4.1(5): Page 85 – Store/Stock Articles not Accounted for Rs.18,007

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

21. Para 9.4.1(6): Page 85 – Store/Stock Articles not Accounted for Rs.55,509

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

22. Para 9.4.1(7): Page 85 – Store/Stock Articles not Accounted for Rs.68,103

12.1.93: In respect of the this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

23. Para 9.4.1(8): Page 86 – Store/Stock Articles not Accounted for Rs.219,835

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

24. Para 9.4.1(9): Page 86 – Store/Stock Articles not Accounted for Rs.80,113

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

25. Para 9.4.1(10): Page 86 – Store/Stock Articles not Accounted for Rs.20,465

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

26. Para 9.4.1(11): Page 86 – Store/Stock Articles not Accounted for Rs.27,336

12.1.93: In respect of this para the Committee directed that the Department should see

where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

27. Para 9.4.1(12): Page 86 – Store/Stock Articles not Accounted for Rs.22,217

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

28. Para 9.4.1(13): Page 86 – Store/Stock Articles not Accounted for Rs.43,465

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

29. Para 9.4.1(14): Page 86 – Store/Stock Articles not Accounted for Rs.6,639

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

30. Para 9.4.1(15): Page 86 – Store/Stock Articles not Accounted for Rs.6,970

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

31. Para 9.4.1(16): Page 86 – Store/Stock Articles not Accounted for Rs.14,110

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

32. Para 9.4.1(17): Page 86 – Store/Stock Articles not Accounted for Rs.32,492

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

33. Para 9.4.1(18): Page 86 – Store/Stock Articles not Accounted for Rs.80,445

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

34. Para 9.4.1(19): Page 86 – Store/Stock Articles not Accounted for Rs.49,453

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

35. Para 9.4.1(20): Page 86 – Store/Stock Articles not Accounted for Rs.15,070

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

36. Para 9.5: Page 86 – Negligence Rs.136,715

30.5.02: The Committee noted the para as it contained summary of one case of negligence with reference to the undermentioned para 9.5.1.

37. Para 9.5.1(1): Page 87 – Irregular/Wasteful Expenditure in Connection with Replantation Activities Rs.35,216

Audit had observed: “Wasteful expenditure to the stated extent was made in connection with plantation activities. Either plantation was not done, although digging of pits were charged, or heavy amounts were expended on replantation, reopening of trenches, resowing of seeds which needs investigation as to why replantation had to be made which resulted in extra expenditure.”

12.1.93: The Department explained that replanting had to be done due to severe drought spell in the area and therefore, the expenditure was quite genuine. Audit insisted that calamity should not be taken as a cover, to hide all the losses. The Committee accepted the explanation and **settled the para** with the observation that the Department should make arrangements for the delegation of powers for the write off of such losses upto a certain percentage as was being done in the Food Department.

38. Para 9.5.1(2): Page 87 – Irregular/Wasteful Expenditure in Connection with Replantation Activities Rs.37,356

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

39. Para 9.5.1(3): Page 87 – Irregular/Wasteful Expenditure in Connection with Replantation Activities Rs.51,668

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

40. Para 9.5.1(4): Page 87 – Irregular/Wasteful Expenditure in Connection with Replantation Activities of Rs.12,475

12.1.93: The Committee, after the explanation of the Department, observed that while showing the vagaries of nature or unusual occurrences they should exercise more management control over such incidents like sowing and re-sowing. The Department was directed to evolve

procedure regarding delegation of powers for the write off of such losses to a certain percentage. **The para was settled** subject to above observations.

41. Para 9.6: Page 87 – Rules Violation Rs.1,852,885

30.5.02: The Committee noted the para as it contained summary of three cases of violation of rules with reference to the undermentioned paras 9.6.1, 9.6.2 and 9.6.3.

42. Para 9.6.1: Page 87 – Expenditure in Excess or without Budget Provision Rs.755,487

Audit had observed: “Rule 2.10(b) (2) of PFR Vol.I lays down that no expenditure should be incurred without provision of funds in the Budget. It was observed that expenditure was made either in excess of the Budget Provision or without Budget.”

12.1.93: The explanation of the Department was accepted and **the para was settled.**

43. Para 9.6.2: Page 87 – Irregular Expenditure Rs.560,558

Audit had observed: “The Scrutiny of contractor’s Account revealed that the payment to the stated extent was made for those items of works which were neither included in the contract nor assigned to the contractor. The matter needs investigation and expenditure thereon recovered from the official held responsible.”

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

44. Para 9.6.3: Page 88 –Expenditure without Administrative Approval/Technical Sanction Rs.536,840

Audit had observed: “The stated amount was expended on the construction schemes without administrative approval and technical sanction of the Competent Authority which was therefore, irregular and may be got regularized with the sanction of the Competent Authority.”

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

45. Para 9.8: Page 88 – Recovery Outstanding Rs.7,770,962

30.5.02: The Committee noted the para as it contained summary of four cases of outstanding recovery with reference to the undermentioned paras 9.8.1, 9.8.2, 9.8.3 and 9.8.4.

46. Para 9.8.1(1): Page 89 – Recovery on Account of Sale Proceeds of Timber etc.

Awaited Rs.412,879

Audit had observed: "Recovery of the stated amount was outstanding against the contractors etc., on account of sale proceeds of timber etc. Effective steps should be taken to recover the amounts without delay as required in rule 4.7(6) of PFR. Vol.I."

12.1.93: The Committee directed that further inquiries be made to locate the assets of the dismissed official for recovery of the amount. Action against the contractor should be expedited. The para was kept pending.

1.1.95: Part – I.**Item No.A-I Rs.83,171.05**

The Department explained as under:-

(i) Recovery of Rs.41,500 due to shortage of timber was imposed upon Muhammad Yousaf, Forester (Retd) and his gratuity was withheld. The defaulter had gone in appeal to the Services Tribunal against the orders of the Competent Authority in November, 1994. Next date of hearing had been fixed for March, 1995. The Department was asked to pursue the case.

(ii) Recovery of Rs.41,585 was also imposed upon Hazoor Bakhsh, Forest Guard, who was still in service. Recovery at the rate of Rs.400 per month was being effected from his salary. The Department was directed to ensure that the total recovery was made from his pay and if he retired, before full recovery, the balance be recovered from his pensionary dues. **The item kept pending.**

Item No.B-II Rs.4,867.55

Recovery of Rs.4,867.55 having been verified by Audit, **the item was settled.**

Item No.E-VII Rs.246,655.24

Out of a total amount of Rs.246,655, an amount of Rs.203,954 was recoverable from Razi-ud-Din Ahmed, Forest Ranger, who had already been dismissed from service. Efforts for recovery of the amount as arrears of land revenue were in process. **The para was kept pending.**

Part – II**Item No. A-I Rs.9,266.30**

Recovery of Rs.9,266 having been verified by Audit, **the item was settled.**

Item No. A-II Rs.23,598.67

Recovery of Rs.23,598.67 having been verified by Audit, **the item was settled.**

Item No.E-VII Rs.45,320

Recovery of Rs.45,320 having been verified by Audit, **the item was settled.**

47. Para 9.8.1(2): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.165,618

12.1.93: The Committee was informed that out of a total amount of Rs. 165,000, recovery of Rs.55,000 had been effected and verified by Audit. Further recovery of Rs.9000 had been effected leaving a balance of Rs.3000. On the assurance of the Administrative Secretary that the balance amount would be recovered soon **the para was settled.**

48. Para 9.8.1(3): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.9,156

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

49. Para 9.8.1(4): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.824,165

12.1.93: The Department informed the Committee that major recoveries were due against Military personnel who were the main beneficiaries. These personnel had been using water but were not paying Abiana. The Committee directed that the GHQ should be approached in the matter. Audit suggested that the Administrative Secretary should personally contact the Director General, Remount and Veterinary Farm Corps. The Additional Secretary promised to do the needful. The para was kept pending.

1.1.95: The Committee directed that in so far as the amount recoverable from the Ministry of Defence on account of Water Charges in Pirowala Forest was concerned the Administrative Department should make a reference to the Finance Department to move the Federal Government to deduct the amount at source from their leases to be made to the Ministry of Defence. Subject to the above direction, **the para was settled** so far as the Public Accounts Committee was concerned.

50. Para 9.8.1(5): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.1,020,669

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

51. Para 9.8.1(6): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.63,230

12.1.93: It was explained that out of the total recovery of Rs.63,230, only Rs.14,000 were yet to be recovered. On the assurance of the Administrative Secretary that the balance would be recovered, **the para was settled.**

52. Para 9.8.1(7): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.121,923

12.1.93: On the assurance of the Administrative Secretary that the balance of Rs.34,911 would be recovered, **the para was settled.**

53. Para 9.8.1(8): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.74,494

12.1.93: The Committee was informed that out of a total amount of Rs.74,494, recovery of Rs.60,644 had been effected and verified by Audit leaving a balance of Rs.13,850. On the assurance of the Administrative Secretary that the balance would be recovered, **the para was settled.**

54. Para 9.8.1(9): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.471,579

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

55. Para 9.8.1(10): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.1,438,975

12.1.93: The Committee was informed that out of the total amount of Rs.1,438,975, after recoveries, only Rs.13,000 was remained to be recovered. The Committee appreciated the efforts put in by the Department for the recoveries. On the assurance of the Administrative Secretary that the balance would be recovered, **the para was settled.**

56. Para 9.8.1(11): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.20,664

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

57. Para 9.8.1(12): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.1,206,949

12.1.93: On the assurance of the Administrative Secretary that the balance amount would be recovered, **the para was settled.**

58. Para 9.8.1(13): Page 89 – Recovery on Account of Sale Proceeds of Timber etc. Awaited Rs.1,625,382

12.1.93: The Administrative Secretary assured that the balance of Rs.18,830 would be recovered soon. **The para was settled.**

59. Para 9.8.2(1): Page 89-90 – Recovery of House Building/Motor Cycle Advances not Made Rs.13,000

Audit had observed: “The stated amount was paid to the officials on account of Motor Cycle/House Building Advances. But the recovery is outstanding against them since long. Some of the officials have been removed/relieved from service without affecting recovery. The recovery needs to be started immediately and in case officials who have left service, the outstanding balance of advances may be recovered or got written off with the sanction of the Competent Authority as required under rule 10.27 of PFR. Vol.I.”

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

60. Para 9.8.2(2): Page 89-90 – Recovery of House Building/Motor Cycle Advances not Made Rs.84,029

12.1.93: The Department stated that the present outstanding balance was Rs.12,000, which

would be recovered soon. **The para was settled.**

61. Para 9.8.2(3): Page 89-90 – Recovery of House Building/Motor Cycle Advances not Made Rs.7,842

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

62. Para 9.8.2(4): Page 89-90 – Recovery of House Building/Motor Cycle Advances not Made Rs.21,772

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

63. Para 9.8.3(1): Page 91 – Non-recovery of House Rent, Sui Gas, Water Charges and cost of Calls in Excess of the Prescribed Limit Rs.6,334

Audit had observed: “The stated amount was outstanding against the officials on account of house rent, Sui gas, private use of vehicles, water charges, etc. The provisions of Rule 4.7 (6) of PFR Vol.I were ignored which lays down that no amounts due to Government are left outstanding without sufficient reasons. Effective steps need to be taken for recovery of the same.”

12.1.93: In respect of this para the Committee directed that the Department should see where the disciplinary action was required to be taken. Such action should be taken, otherwise, as this para had been verified by Audit, **it should be treated as settled:-**

64. Para 9.8.3(2): Page 91 – Non-recovery of House Rent, Sui Gas, Water Charges and cost of Calls in Excess of the Prescribed Limit Rs.12,318

12.1.93: The Committee directed that residential telephone charges beyond ceiling may be regularized by the Finance Department. **The para was kept pending.**

65. Para 9.8.4: Page 91 – Non-recovery of Installments of Motor Cycles Rs.169,984

Audit had observed: “Under rule 15.4(a) of P.F.R Vol.I, any material or store received by a government servant should be entered in the appropriate Stock Register. In violation of the above rule eleven motor cycles worth the amount indicated above were shown as purchased for giving to foresters on installment basis, but these were neither entered in the Stock Register, nor any recovery of installments had been affected even after lapse of considerable time.”

12.1.93: Audit informed the Committee that accountal of 11 motor cycles in Form 16 had been verified. Recovery of Rs.98,936 and interest Rs.3228 had also been verified and the balance amount of Rs.71,040 was being recovered in installments. **The para was settled.**

(Commercial Audit)

66. Para 3(ix): Page 6 – Compilation of Accounts of Jallo Rosin and Turpentine Factory

16.10.96: The Department informed the committee that Commercial Accounts in respect of Jallo Rosin and Turpentine Factory for the year 1987-88 and 1988-89 had already been submitted to the Accountant General, Punjab. Audit also confirmed the position and apprised the PAC that Accounts for the year 1987-88 had been certified and included in the Audit Report for the year 1989-90. Similarly the Accounts for the year 1988-89 to 1992-93 had been included in the Audit Report for the year 1992-93. The explanation of the Department was accepted and **the para was settled.**

General Comments

The Committee observed that the Forest Department had shown good progress in finalizing the requisite action on the Draft Paras included in the Audit Report 1988-89. The Committee appreciated the efforts put in by Mr. Anwar Masrur, Secretary Forestry, Wildlife, Fisheries & Tourism Department, and his staff, in this behalf.

Health Department

Overview

Total Paras	Civil	Commercial
81	79	2

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 10	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 10.1, 10.2, 10.3, 10.5, 10.6, 10.7, 10.8, 10.10	8
		Commercial: 3(x), 3(xix)	2
Paras Finally Settled 47	Paras finally settled as the requisite action had been taken.	Civil: 10.1.1(1), 10.1.1(3), 10.1.1(4), 10.1.1(5), 10.1.1(6), 10.1.1(9), 10.2.1(2), 10.2.1(3), 10.2.1(4), 10.3.1(2), 10.3.1(4), 10.3.1(5), 10.3.1(6), 10.3.1(7), 10.5.1(1), 10.5.1(2), 10.5.1(3), 10.5.2, 10.6.1(1), 10.6.1(2), 10.6.1(3), 10.6.1(4), 10.6.2, 10.6.3(1), 10.6.3(2), 10.6.3(3), 10.6.3(5), 10.6.3(6), 10.6.3(7), 10.6.3(8), 10.6.3(9), 10.6.3(10), 10.7.1, 10.8.1(1), 10.8.1(2), 10.8.2(1), 10.8.2(2), 10.8.3(1), 10.8.3(4), 10.8.4, 10.8.6, 10.10.1(3), 10.10.1(4), 10.10.1(5), 10.10.1(6)	45
		Annexure Paras: 38(1), 38(2).	2
Paras Conditionally Settled 8	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.	Civil: 10.1.1(2), 10.1.1(7), 10.1.1(8), 10.1.1(10), 10.1.1(11), 10.2.1(1), 10.5.3, 10.6.3(11)	8

Paras Pended 16	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Civil: 10.3.1(1), 10.3.1(3), 10.6.3(4), 10.6.4, 10.8.3(2), 10.8.3(3), 10.8.5, 10.10.1(1), 10.10.1(2)	9
		Annexure Paras: 140, 3, 4, 26, 52, 53, 40.	7

**Discussed on 5 January, 4 April 1993, 6 December 1994,
6 June 1995 and 30 May 2002**

(Civil Audit)

1. Para 10.1: Page 93 – Embezzlement/Theft Rs.1,050,861

30.5.02: The Committee noted the para as it contained summary of one case of embezzlement/theft with reference to the undermentioned para 10.1.1.

2. Para 10.1.1(1): Page 93 – Government Receipts not Deposited into Treasury Rs.2,609

Audit had observed: “Under rule 2.2 of PFR Vol. I all the Government receipts are required to be deposited into Government Treasury promptly. The above stated amount was received by various officials on account of Parchee Fee, Laboratory Fee and other receipts, but was either not deposited into Government Treasury or less deposited and thus embezzled.”

5.1.93: Recovery and deposit of Rs.2,609 had since been verified by Audit, **the para was settled.**

3. Para 10.1.1(2): Page 93 – Government Receipts not Deposited into Treasury Rs.17,606

5.1.93: Recovery and deposit of Rs. 17,606 into Government treasury had since been verified by Audit, **the para was settled.** The Committee observed that despite recovery and deposit, it was a temporary embezzlement of Government funds. The Committee directed that defaulter may be proceeded against and action taken by the Department be intimated to Audit and the Public Accounts Committee.

4. Para 10.1.1(3): Page 93 – Government Receipts not Deposited into Treasury Rs.843,509

5.1.93: Subject to verification of deposit receipts by Audit and compliance of Committee observation in Para 10.1.1.(2), the para was settled.

4.4.93: The Public Accounts Committee observed that as per its directive, dated 5-1-1993, the Department should give final decision for fixing responsibility/ action against the person involved in the temporary embezzlement of Government Funds, within three months. The Department was further directed to satisfy Audit regarding recovery/deposits by producing certified receipts by the Treasury Officer. The para was kept pending.

Services Hospital Lahore

6.12.94: The Administrative Department explained that the present outstanding balance was only Rs. 4,336. Moreover, disciplinary proceedings had also been initiated against 7 officials held responsible for the irregularity. The Committee directed that the recovery may be got verified and the balance recovery as well as the disciplinary action may be finalized within one month. The para was kept pending.

6.6.95: The Department explained that the entire amount regarding purchase fee i.e. Rs.843,509 had been recovered and verified by Audit and the defaulters had been awarded penalty of censure. The Director General Audit, however, did not own the verification of Accounts Officer. His verification had created confusion. The Audit Department would also hold an inquiry against the Accounts Officer. The PAC observed that recovery and "Censure" was a very lenient action taken by the Department against the defaulters and in future more severe punishment should be awarded. With the above observation, **the para was settled.**

5. Para 10.1.1(4): Page 93 – Government Receipts not Deposited into Treasury Rs.11,961

5.1.93: Subject to verification of deposit receipts by Audit and compliance of Committee observation in Para 10.1.1(2), the para was settled.

4.4.93: Audit informed the Committee that deposit of Rs. 11,961 on account of purchase fee, duly certified by S.T.O. Sammundri, had been verified by them. The Department explained that action against the officials responsible was under way. **The para was settled.**

6. Para 10.1.1(5): Page 93 – Government Receipts not Deposited into Treasury Rs.1,377

5.1.93: Recovery and deposit of Rs. 1,377 had since been verified by Audit, **the para was settled.**

7. Para 10.1.1(6): Page 93 – Government Receipts not Deposited into Treasury Rs.86,226

5.1.93: Actual recoverable amount came to Rs.64,254.50 instead of Rs.86,226 which had since been deposited into Government Treasury and verified by Audit, and balance amount of Rs.21,971.50 relating to the share of doctors and staff of hospital which was covered under the policy letter of the Government. **The para was accordingly settled.**

8. Para 10.1.1(7): Page 93 – Government Receipts not Deposited into Treasury Rs.14,143

5.1.93: The actual amount of recoveries i.e. Rs.10,874 (and not Rs.14,142 as stated by Audit) had been recovered and deposited into the treasury. Subject to verification of record by Audit, the para was settled.

4.4.93: Recovery/deposit of Rs.14,185 had been verified by Audit. The Department was directed to take action against the persons responsible for the late deposit of Government Money. Subject to the above observation, **the para was settled.**

9. Para 10.1.1(8): Page 93 – Government Receipts not Deposited into Treasury Rs.54,227

5.1.93: Actual amount of Rs.38,189.45 pertaining to Purchee Fee/Hospital receipts having already been recovered and deposited into Government Treasury, and the fact had since been verified by Audit, accordingly, **the para was settled** subject to disciplinary action as per para 10.1.1(2).

10. Para 10.1.1(9): Page 93 – Government Receipts not Deposited into Treasury Rs.9,016

5.1.93: Audit having verified recovery and deposit of Rs.9,016, **the para was settled.**

11. Para 10.1.1(10): Page 93 – Government Receipts not Deposited into Treasury Rs.4,880

5.1.93: Audit having verified recovery and deposit of Rs.4,880 **the para was settled** subject to disciplinary action as per para 10.1.1(2).

12. Para 10.1.1(11): Page 93 – Government Receipts not Deposited into Treasury Rs.5,317

5.1.93: Audit having verified recovery and deposit of Rs.5,317 **the para was settled** subject to disciplinary action as per para 10.1.1(2).

13. Para 10.2: Page 94 – Misappropriation Rs.77,854

30.5.02: The Committee noted the para as it contained summary of one case of misappropriation with reference to the undermentioned para 10.2.1.

14. Para 10.2.1(1): Page 94 – Non-accountal of Medicines, Store Article and Equipment etc. Rs.27,808

Audit had observed: “Under Rule 15.4 of PFR Vol. I the store/stock purchased should be entered in the Stock Registers. The medicine, store articles and equipments etc., of the stated amount were purchased, but were either not accounted for or less accounted for in the Stock Registers. Also some articles were shown issued from main store to different wards, laboratories but were not shown in the relevant Stock Registers. Thus the articles of above stated amounts were misappropriated and Government was put to loss, which was due to negligence of the departmental authorities as no proper internal checks were applied as required under rule 15.15 of PFR Vol.I.”

5.1.93: Audit having verified the recovery/deposit of Rs.27,808 **the para was settled** subject to disciplinary action as per para 10.1.1(2). The Department was further directed to move the Federal Government in this regard, if the official concerned was a Federal Government Employee.

15. Para 10.2.1(2): Page 94 – Non-accountal of Medicines, Store Articles and Equipment etc. Rs.34,464

5.1.93: The actual recoverable amount came to Rs.34,061.22 and not Rs.34,464 which had

already been recovered and verified by Audit. **The para was accordingly settled.**

16. Para 10.2.1(3): Page 94 – Non-accountal of Medicines, Store Articles and Equipment etc. Rs.5,582

5.1.93: Record entries of store stocks had since been verified by Audit, **the para was settled.**

17. Para 10.2.1(4): Page 94 -Non-accountal of Medicines, Store Articles and Equipment etc. Rs.10,000

5.1.93: Omission in carrying the balance of bed sheets to next page was rectified and verified by Audit. **The para was accordingly settled.**

18. Para 10.3: Page 94 – Overpayment Rs.705,136

30.5.02: The Committee noted the para as it contained summary of one case of overpayment with reference to the undermentioned para 10.3.1.

19. Para 10.3.1(1): Page 95 – Overpayment of House Rent/Conveyance Allowance Rs.529,755

Audit had observed: “The stated amount was overpaid to the staff of the hospital on account of House rent/conveyance allowance, non deduction of house rent from those provided with Government accommodation. Some others were allotted rent free accommodation irregularly which resulted into loss to the Government, on account of non recovery of house rent. Some employees were paid house rent/conveyance allowance despite the fact, that they were residing in government accommodation, within hospital premises.”

5.1.93: It was stated by the Department that house rent recovery, pertained to lower staff like sweepers etc. Moreover, the accommodation had been declared dangerous. The Finance Department was of the view that conveyance allowance be recovered from those living within the premises of the hospital. The Committee directed the Department to hold inquiry to ascertain the actual facts and take action for recovery or write off accordingly. The para was kept pending.

4.4.93: 1. The Department explained that recovery of the conveyance allowance, paid to 40 officials, had been ordered from their salaries. The item was kept pending.

2. The Department explained that staff of the Mental Hospital was entitled to free accommodation. Instructions would be shown to Audit. The item was settled.

3. The Committee was informed that 23 class IV employees occupied rooms in two condemned and damaged bungalows without allotment at its risk and as such house rent was not recoverable from them. Most of them had either retired or expired or dismissed from service. **The item was settled.**

Government Mental Hospital Lahore Rs.529,755

6.12.94: The Department explained that out of recoverable amount of Rs.75,021 overpaid to 40 employees a sum of Rs. 34,556 was due from 19 employees still working in Mental Hospital, Lahore. A sum of Rs.27,360 had been recovered leaving a balance of Rs. 7,196 which was being recovered in monthly installments. The balance amount of Rs.40,465 was due from 21 employees who had been transferred/dismissed/retired. A sum of Rs.5,472 had also been recovered from them and action regarding balance recovery of Rs.34,993 was in process. The Committee directed that the amount recovered may be got verified. The balance recovery from the employees still working in Mental Hospital, Lahore may be completed within 4 months as assured by the Administrative Secretary. The cases of write off, of the recoveries from the officials dismissed or retired may be considered on merit, keeping in view the cost of recovery **the para was settled** subject to recovery/write off sanction by Audit.

6.6.95: **The para was kept pending** for recovery or write off of balance amount and its verification by Audit.

20. Para 10.3.1(2): Page 95 – Overpayment of House Rent/Conveyance Allowance Rs.33,877

5.1.93: The actual amount recoverable came to Rs.20,663 and not Rs.33,877 because some employees were entitled to rent free accommodation and Rs.12,251 had been recovered till date which was directed to be got verified by Audit. The Administrative Secretary assured the Committee that the balance amount would be recovered within two/three months. The para was kept pending.

4.4.93: The Department informed the Committee that the entire amount had been recovered. **The para was settled.**

21. Para 10.3.1(3): Page 95 – Overpayment of House Rent/Conveyance Allowance Rs.9,245 and Rs.73,191

5.1.93: It was stated that letters had been written to doctors and three of them had been retired. The Department was directed to re-examine this matter properly and thoroughly within three months, and take action accordingly. The para was kept pending.

1) Rs.73,191 on account of recovery of rent @ 5%

4.4.93: Audit verified the fact that all Medical Officers, Registrars, etc. holding resident appointment in sub Hospitals/Dispensaries were entitled to rent free accommodation. **The item was dropped.**

2) Recovery of Rs.9,245 on account of House Rent and Conveyance Allowance
The item was kept pending for recovery.

Services Hospital Lahore Rs.9,245

6.12.94: The recovery had been made and verified by Audit, **the para was settled.**

22. Para 10.3.1(4): Page 95 – Overpayment of House Rent/Conveyance Allowance Rs.11,077

5.1.93: Full recovery of Rs.11,077 had since been effected and verified by Audit, **the para was settled.**

23. Para 10.3.1(5): Page 95 – Overpayment of House Rent/Conveyance Allowance Rs.22,802

5.1.93: Partial recovery effected should be got verified by Audit and the Department was directed to pursue the balance recovery. The amount of the para should be accordingly reduced. The para was kept pending.

4.4.93: Audit informed the Committee that recovery of Rs. 22,802 had been verified. **The para was settled.**

24. Para 10.3.1(6): Page 95 – Overpayment of House Rent/Conveyance Allowance Rs.14,236

5.1.93: Recovered amount of Rs.12,936.48 should be got verified by Audit and the Department was directed to pursue the balance recovery of Rs.1,299.48 or consider for its write off. The para was kept pending.

4.4.93: Audit informed the Committee that the recovery of Rs. 14,236 on account of overpayment of House Rent Allowance had been verified. **The para was settled.**

25. Para 10.3.1(7): Page 95 – Overpayment of House Rent/Conveyance Allowance Rs.10,953

5.1.93: Recovered amount of Rs.50,013.25 should be got verified by Audit and the balance amount was directed to be recovered in monthly installment of Rs.200 to Rs.250. The para was kept pending.

4.4.93: The Department informed the Committee that the amount would be deposited in two installments. Subject to recovery and its verification by Audit, the para was settled.

Tehsil Headquarter Hospital Hazro Rs.10,953

6.12.94: The Administrative Department explained that Rs.9,054.30 had been deposited and the balance amount of Rs.1,899.40 would be recovered from the pension claim of Mr. Abdus Salam, Ex-Laboratory Assistant. The Public Accounts Committee directed that certificate from District Accounts Officer concerned ensuring the requisite recovery from the pensionary dues may be obtained. Subject to this direction the para was settled.

6.6.95: The recovery had been made and verified by Audit, **the para was settled.**

26. Para 10.5: Page 95 – Negligence Rs.188,796

30.5.02: The Committee noted the para as it contained summary of three cases of negligence with reference to the undermentioned paras 10.5.1, 10.5.2 and 10.5.3.

27. Para 10.5.1(1): Page 96 – Non-realization of Water Charges from Staff Occupying Government Accommodation Rs.46,809

Audit had observed: “Facility of water was provided to the occupants of Government accommodation but deduction of Water charges was not made form their pay. In some cases the water charges were less deducted than the prescribed rates, which need to be recovered.”

5.1.93: Up-to-date recoveries of Rs.24,132 had been made, which were to be verified by Audit. The Department was directed to pursue the balance recovery. The para was kept pending.

4.4.93: The Committee directed that the recovered amount should be got verified by Audit and the recovery of balance amount should be effected. The para was kept pending.

District Head Quarter Hospital Sahiwal

6.12.94: The Administrative Department explained that the actual recoverable amount of Rs.32,442 had been recovered and deposited and verified by Audit. **The item was settled.**

28. Para 10.5.1(2): Page 96 – Non-realization of Water Charges Staff Occupying Government Accommodation Rs.13,309

5.1.93: Full recovery of Rs.13,309 had since been effected. Subject to verification of record by Audit, the para was settled.

4.4.93: Certificate regarding water rate had been examined by Audit, **the para was settled.**

29. Para 10.5.1(3): Page 96 – Non-realization of Water Charges from Staff Occupying Government Accommodation Rs.18,825

5.1.93: Audit accepted the departmental version that no recovery was involved as the Government had withdrawn the letter concerning bed charges. **The para was settled.**

30. Para 10.5.2: Page 96 – Glucose Bags not Accounted for Rs.85,536

Audit had observed: “4752 Glucose bags of the stated amount were issued from sub-store to different wards as detailed in the original para, their consumption was shown in the Expense Books of the wards concerned. The patient charts were not provided to Audit for verification of consumption of glucose. The violation of Rule 15.4 of PFR Vol.I resulted into the loss of the stated amount, which needed to be recovered from the officials held responsible for the loss. This also reflected that no internal checks were applied as required under rule 15.15. of PFR Vol.I.”

5.1.93: Glucose bags consumption was properly accounted for and verified by Audit except 117 bags cost of which i.e. Rs. 2,106 had been recovered and verified by Audit. **The para was accordingly settled.**

31. Para 10.5.3: Page 97 – Amount Drawn from Treasury not Accounted for in the Cash Book Rs.24,317

Audit had observed: “Under rule 2.2 of PFR Vol.I, every amount drawn from the treasury should be recorded on receipt side of the Cash Book. Stated amounts shown in the Payment Schedules for 6/87 issued by the D.A.O Sheikhpura were not found entered on the receipt side of the Cash Book in violation of the provisions of above rule which tentamounts to bad accounting, and therefore, needs departmental investigation and reconciliation of drawals from D.A.O Sheikhpura.”

5.1.93: The amounts drawn from the Treasury were not shown on the receipt side of cash book which were later on entered and verified by Audit. No recovery was involved. The Committee observed that disciplinary action was also needed in this case besides the recovery already made. **The para was settled** subject to disciplinary action on account of dereliction from duty under intimation to Audit and Public Accounts Committee.

32. Para 10.6: Page 97 – Rules Violation Rs.9,008,835

30.5.02: The Committee noted the para as it contained summary of four cases of violation of rules with reference to the undermentioned paras 10.6.1, 10.6.2, 10.6.3 and 10.6.4.

33. Para 10.6.1(1): Page 97 – Expenditure in Excess of Budget Allocation Rs.1,620,207

Audit had observed: “Under Rule 17.15 PFR Vol.I, no Government servant, without previously obtaining extra appropriation, incur expenditure in excess of the amount provided for expenditure. Where the Government Servant exceeds the annual appropriation he may be held personally responsible for excess expenditure. The expenditure to the extent of the above stated amount was incurred in excess of the annual budget allocation.”

5.1.93: Expenditure of Rs.11,220,267 had been incurred against provision of Rs.11,600,000. Hence no excess expenditure was involved. The Committee directed the Department to produce record for Audit verification and the para was kept pending.

4.4.93: The Department explained that the excess expenditure was covered by supplementary grant of Rs.2 lac. Therefore, it was a regular expenditure. **The para was settled.**

34. Para 10.6.1(2): Page 97 – Expenditure in Excess of Budget Allocation Rs.75,227

5.1.93: Audit had verified that the expenditure was within the budgetary allocation. **The para was accordingly dropped.**

35. Para 10.6.1(3): Page 98 – Expenditure in Excess of Budget Allocation Rs.5,099,668

5.1.93: The Department was directed to produce record to Audit for verification of its contention that no excess expenditure was involved. The para was kept pending.

4.4.93: The Department explained that the excess expenditure was covered by supplementary grant of Rs.2 lac. Therefore, it was a regular expenditure. **The para was settled.**

36. Para 10.6.1(4): Page 98 – Expenditure in Excess of Budget Allocation Rs.13,717

5.1.93: The reported excess expenditure of Rs.13,717 had been adjusted by D.H.S. Sargodha and verified by Audit. **The para was settled.**

37. Para 10.6.2: Page 98 – Heavy Expenditure on the Purchase of Video Cassettes Rs.650,500

Audit had observed: “In accordance with the instructions contained in Note below item No. xxvii (b) of the Delegation of Powers under the Financial Rules, no expenditure should be incurred for the purchase of items of unusual/Novel nature without obtaining the prior sanction of the Finance Department. The above stated amount was incurred in contravention to the provision of Rules, which requires regularization by the Competent Authority.”

5.1.93: Since 73 video cassettes on different medical subjects were purchased as an educational aid for nursing students. Therefore, no undue expenditure had been incurred. The Committee accepted the explanation and **settled the para** with a caution not to misuse this facility.

38. Para 10.6.3(1): Page 99 – Non-recovery of Excessive Expenditure on Residential Telephones Rs.54,298

Audit had observed: “Residential telephone charges over and above the prescribed limit as fixed by the Finance Department, Government of the Punjab in Circular No.SO(PW.1)VII(18) Tel 2-1/Tel82(Provl), dt. 4.9.85 is required to be borne by the officer himself. The stated amount is required to be recovered from the concerned officers.”

5.1.93: This matter pertained to office telephone and not to residential telephone as stated in the headline. The Finance Department pointed out that there was no limit on office telephones. The Committee directed the Department to check up this matter and the para was kept pending.

4.4.93: The Department explained that the telephone was installed in the GOR Dispensary and not at the residence of the Doctor Incharge. Audit desired to check the orders regarding installation of the telephone. Subject to verification by Audit, the para was settled.

Services Hospital Lahore

6.12.94: Audit had verified the certificate that the telephone was installed in the GOR Dispensary and not at the residence of Doctor Incharge. **The item was settled.**

Tehsil Headquarter Hospital Hazro

6.12.94: The item was settled subject to the condition that the amount already recovered should not be refunded.

39. Para 10.6.3(2): Page 99 – Non-recovery of Excessive Expenditure on Residential Telephones Rs.8,642

5.1.93: Full recovery of Rs.8,641.50 had since been effected and verified by Audit, the para was settled.

40. Para 10.6.3(3): Page 99 – Non-recovery of Excessive Expenditure on Residential Telephones Rs. 5,250

5.1.93: It was stated that the amount had been recovered and duly verified by Audit. The para was accordingly settled.

41. Para 10.6.3(4): Page 99 – Non-recovery of Excessive Expenditure on Residential Telephones Rs.43,952

5.1.93: The recoveries were in progress. The Department was directed to get its contention reconciled with Audit. The para was kept pending.

4.4.93: The Committee was informed that two Doctors were involved in the excess expenditure. Dr. Noor-ul-Hassan, responsible for the excess expenditure of Rs.5,925 had retired since long and recovery was not possible. Therefore, case for the write off would be moved. Dr. Mazhar Ali Hashmi, from whom recovery of Rs.10,349 was due had been directed to deposit the amount. The Committee directed that the amount recoverable should be reconciled with Audit and recovery be made. **The para was kept pending.**

Services Hospital Lahore

6.12.94: The item was kept pending for recovery of the balance amount and its verification by Audit.

6.6.95: The Department explained that an amount of Rs.8,725 had been recovered and verified by Audit. The remaining amount of Rs.10,349 was due from Mr. Mazhir Ali, Ex-M.S. who had been retired and the said recovery was being managed from his gratuity/pension. **The para was kept pending** for recovery of the balance amount.

42. Para 10.6.3(5): Page 99 – Non-recovery of Excessive Expenditure on Residential Telephones Rs.76,687

5.1.93: The recoverable amount of Rs.76,507 instead of Rs.76,687 had already been recovered and deposited into Government Treasury. Subject to verification of record by Audit, the para was settled.

4.4.93: Recovery having been verified by Audit, **the para was settled.**

43. Para 10.6.3(6): Page 99 – Non-recovery of Excessive Expenditure on Residential Telephones Rs.227,714

5.1.93: Recovery of Rs.14,703 had already been effected and verified by D.A.O. Faisalabad. However, the Administrative Secretary was asked to sort out the matter of balance recovery with Principal Punjab Medical College, Faisalabad from administrative point of view. The para was kept pending.

4.4.93: The Department explained that recovery/deposit of Rs.14,703 had already been verified by Audit and further recovery of Rs.4,000 had been effected. **The para was settled.**

44. Para 10.6.3(7): Page 99 – Non-recovery of Excessive Expenditure on Residential Telephones Rs.8,141

5.1.93: Full recovery of Rs.8,141 had since been effected and verified by Audit. **The para was settled.**

45. Para 10.6.3(8): Page 99 – Non-recovery of Excessive Expenditure on Residential Telephones Rs.6,038

5.1.93: Dr. Farooq Ahmad Khan was present in the meeting. He stated that telephone bills outstanding in the name of his predecessor had also been shown against his name. The Committee asked the Administrative Secretary to decide as to from whom the amount was recoverable. The para was kept pending.

4.4.93: Recovery/deposit having been verified by Audit, **the para was settled.**

46. Para 10.6.3(9): Page 99 – Non-recovery of Excessive Expenditure on Residential Telephones Rs.12,433

5.1.93: The officer was present in the meeting and gave a commitment to clear his liability within two months, which was guaranteed by the Administrative Secretary. The para was settled subject to verification.

4.4.93: Deposit of Rs.12,433 having been verified by Audit, **the para was settled.**

47. Para 10.6.3(10): Page 98 – Non-recovery of Excessive Expenditure on Residential Telephones Rs.11,000

5.1.93: The doctor concerned had since expired during his service. The Committee asked the Administrative Secretary to consider this case for write off. The para was kept pending.

4.4.93: The Department informed the Committee that the Doctor responsible for the excess expenditure had expired. Therefore, case for write off was under process. Subject to the write off by the Competent Authority and its verification by Audit, the para was settled.

6.12.94: The Administrative Department explained that the officer responsible for the excess expenditure had expired and a case for write off of the amount had been sent to the Finance Department. The para was settled subject to write off by the Competent Authority and its verification by Audit.

6.6.95: The Administrative Secretary explained that the officer responsible for the excess

expenditure had expired and write off sanction had been made on the file. In view of the assurance of the Department that write off sanction would be issued. **The para was settled.**

48. Para 10.6.3(11): Page 98 – Non-recovery of Excessive Expenditure on Residential Telephones Rs.27,819

5.1.93: Extension of office telephone was connected to doctor's residence which was an irregularity as pointed out by Audit. It was stated by the Department that it was only used for emergency purposes in public interest. The Committee asked the Department to get it regularized. The para was kept pending.

4.4.93: The Committee was informed that the Doctor was permitted by the Deputy Director Health Services, Rawalpindi, for shifting of the telephone from old Civil Hospital to the new T.H.Q. Hospital building for emergency purposes. Audit suggested that the Department should get the case regularized by the Finance Department. Subject to regularization, the para was settled.

6-12-94: The item was settled subject to the condition that the amount already recovered shall not be refunded.

49. Para 10.6.4: Page 99 – Undisbursed Money not Refunded Rs.1,024,142

Audit had observed: "Heavy cash balances were noticed at the close of each financial year which should have been refunded in case not required for disbursement within a suitable period, as per provisions of the Financial Rules. The retention of heavy cash balances needs to be justified or irregularity got condoned with the sanction of the Finance Department."

5.1.93: The Administrative Secretary could not offer any defence to this irregularity pointed out by Audit. It was decided to refer this matter to the Sub Committee constituted on 4.1.1993 in respect of the Education Department. The para was kept pending.

4.4.93: As this para had already been referred to the Sub Committee constituted on 4-1-1993, it was kept pending.

6.12.94: The Public Accounts Committee appointed the following Sub-Committee for detailed examination:-

- | | |
|----------------------------------|----------|
| 1. Mr. Amanullah Khan, MPA | Convener |
| 2. Syed Zafar Ali Shah, MPA | Member |
| 3. Pir Muhammad Shah Khagga, MPA | Member |

The Department was directed to expedite necessary action and submit its report to the Sub-Committee.

6.6.95: The para had been referred to the Sub Committee and the Sub Committee had not completed its findings. The Sub Committee was directed to expedite its report. **The para was kept pending.**

50. Para 10.7: Page 100 – Financial Indiscipline Rs.65,000

30.5.02: The Committee noted the para as it contains summary of one case of financial indiscipline which will be discussed in para 10.7.1.

51. Para 10.7.1: Page 100 – Irregular Award of Contract for Tuckshop Rs.65,000

Audit had observed: “The contract of a Tuckshop for the period 1987-88 was awarded to the lowest bidder which was the 5th lowest instead of the highest bidder without specifying cogent reasons resulting in a loss of the stated extent to the Government.”

5.1.93: The tuckshop contract was awarded to the 5th lowest instead of the highest bidder. The action was not defended by the Administrative Secretary. The Committee directed to effect recovery from the persons responsible for this action, in a ratio to be determined by the Administrative Secretary within three months. The para was kept pending.

4.4.93: The Department explained that the canteen was being run by the Students Union and the amount of Rs.65,000 had gone into the funds of the Union. Rent of the building, electricity charges, water charges, etc. were being paid to the Government by the Union and, as such, there was loss to public exchequer. This practice was being followed since long. The Committee directed that the Department should compare this practice with other Medical Colleges and submit detailed statement within two months. The para was kept pending.

6.12.94: The Administrative Department explained that in the case of canteens of other Medical Colleges of the Province, the rent was being deposited into Government Treasury. Only rent of the Canteen of King Edward Medical College, Lahore was being deposited in the Union Fund. The Canteen would be auctioned according to Government Rules and the amount realized should be deposited into the Government Treasury. The Committee directed that the amount of rent deposited in the Union Fund after the dissolution of the Union may be transferred to the Government Treasury. In future the Canteen should be auctioned according to the Government Rules. Subject to the above directions the para was settled.

6.6.95: The Department explained that the recovery of Rs.65,000 had been made and deposited into the Government Treasury. **The para was settled.**

52. Para 10.8: Page 100 – Recovery Outstanding Rs.2,311,685

30.5.02: The Committee noted the para as it contained summary of six cases of outstanding recovery with reference to the undermentioned paras 10.8.1, 10.8.2, 10.8.3, 10.8.4, 10.8.5 and 10.8.6.

53. Para 10.8.1(1): Page 100 – Non-realization of Lease Money of Canteen and Cycle Stand Rs.87,900

Audit had observed: “Lease money on account of Canteen & cycle stand was not recovered or less recovered as detailed in original para.”

5.1.93: The representative of the Health Department was not conversant with full facts of this case and had given conflicting information. The Administrative Secretary was asked to hold enquiry into this matter and report within two months. The para was kept pending.

4.4.93: The Committee was informed that the amount of tender money was Rs.410,200 and monthly rent was Rs. 29,300. After three months the contractor abandoned business due to loss. His security, amounting to Rs.30,000, had been confiscated. He paid Rs.57,900 as monthly rent for three months during which he remained in occupation of the premises. After

that the maximum bid had not exceeded Rs.67,000 per annum. Explanation of the Department was accepted and **the para was settled.**

54. Para 10.8.1(2): Page 101 – Non-realization of Lease Money of Canteen and Cycle Stand Rs.26,160

5.1.93: Full recovery had since been effected and verified by Audit, **The para was settled.**

55. Para 10.8.2(1): Page 101 – Less Deposits of Government Share of Various Fees Rs.106,322

Audit had observed: “Government share in various fees charged from indoor and outdoor patients was less deposited into the Government Treasury, which needs to be recovered and deposited into the Government Treasury.”

5.1.93: In the light of Government’s policy letter No.SO(H&D)-8-22/88, dated 20-9-1988, the share of various fees had been rightly deposited. **The para was settled.**

56. Para 10.8.2(2): Page 101 – Less Deposits of Government Share of Various Fees Rs.5,822

5.1.93: **The para was settled** as per observation in Para 10.8.2(1).

57. Para 10.8.3(1): Page 102 – Shortage of Library Books, Store Articles and Equipment etc. Rs.115,743

Audit had observed: “Shortage of Library books, other store articles and equipment was noticed but no steps were taken to recover the amount stated above. The cost of the same aggregating to the above stated extent needs to be recovered from the officials responsible for the shortage.”

5.1.93: It was stated by the Department that the library books had been recovered. The para was kept pending for verification by Audit.

4.4.93: The Department explained to the Committee that the arrival and issue of books was a continuous process. Moreover, all the books had been taken on stock. Therefore, there was no shortage of books in the college library. **The para was settled.**

58. Para 10.8.3(2): Page 102 – Shortage of Library Books, Store Articles and Equipment Rs.70,124

5.1.93: The Administrative Secretary sought permission of the Committee to probe this matter once more so that he could give his considered view within three months. The para was kept pending.

4.4.93: The Committee was informed that the defaulting Store Keeper, responsible for the shortage of stores worth Rs.64,053, had been absconded from duty and removed from service with effect from 28-2-1989. The Collector, Jhang, had been approached for recovery of Rs. 64,053 as arrears of land revenue, but the Department had been informed that his whereabouts were not known. The Department was directed to make vigorous efforts for recovery of the amount as arrears of land revenue and fix responsibility on the supervisory officer. **The para was kept pending.**

Government Munshi Hospital Lahore Rs.70,124

6.12.94: The Committee reiterated its previous decision that the recovery of the amount as arrears of land revenue should be pursued at the personal level. The item was kept pending.

6.6.95: The para was reduced to Rs.64,053 and **kept pending** for complete recovery.

59. Para 10.8.3(3): Page 102 – Shortage of Library Books, Store Articles and Equipment Rs.300,431

5.1.93: The para was kept pending for verification by Audit.

4.4.93: The Department submitted that all the books pointed out by Audit had been recovered and could be verified. **The para was kept pending** for verification of record by Audit.

King Edward Medical College Lahore Rs.300,431

6.12.94: Audit had verified the return of books and recovery of cost of books/fine for late return of the books. **The para was settled** with the instructions that necessary arrangements should be made for return of Library Books within grace period in future.

60. Para 10.8.3(4): Page 102 – Shortage of Library Books, Store Articles and Equipment Rs.8,000

5.1.93: Store articles/equipment found short at the time of Audit had become available. Subject to verification of record by Audit, the para was settled.

4.4.93: Return of two Microscopes and one Tape Recorder from the Field Centre, Kachi Abadi having been verified by Audit, **the para was settled.**

61. Para 10.8.4: Page 102 – Recovery of Demurrage Charges Rs.50,318

Audit had observed: “Under para 16 of the contract signed on 8.1.1988 by the contractor and the Chief Purchase Officer, demurrage charges were required to be recovered from the contractor because of default, whereas the stated amount was paid by the M.S.D. but recovery was not effected from the contractor.”

5.1.93: The Department stated that enquiry into this matter had already been ordered while the Finance Department remarked that it was contractor’s responsibility to pay for demurrage charges. The Committee asked the Administrative Secretary to fix responsibility on those who were responsible for this. The para was kept pending.

4.4.93: The Department explained to the Committee that demurrage charges were recovered from the consignees due to late receipt of amendment in S.R.O. regarding exemption of custom duty etc. on the said imported goods. As such, the contractor was responsible. Explanation of the Department was accepted and **the para was settled.**

62. Para 10.8.5: Page 102 – Non-recovery of Electricity and Other Charges Rs.1,416,080

Audit had observed: “Electricity charges from the allottees of the Government residences, payment of private bills from Government funds, electricity charges of PWD office from hospital funds and outstanding electricity charges of doctors of hospital were recoverable as detailed in original paras. This needs to be recovered from the concerned and credited to the Government.”

5.1.93: (a) The Department was directed to produce the Authority to the Audit under which the nursing staff was entitled to free electricity and other service charges. This item was kept pending.

(b) The Department was directed that the portion of residential electricity supply be worked out and charged. Moreover sub-meters may also be installed. The item was kept pending.

(c) The Department was directed to sort out this matter and report in the next meeting. The item was kept pending.

4.4.93: i) As the Nursing Staff was entitled to free electricity, etc. **the item was settled.**

ii) Electricity charges on account of tubewell operation being official consumption, **the item was settled.**

iii) The Department was directed to effect recovery of the balance amount pertaining to electricity charges from the residential staff and arrange separate meters for residences. **Item was kept pending.**

iv) Electricity consumption in the canteen should be recovered on average rate and got verified by Audit.

The amount verified by Audit, should be deducted from the amount to be recovered. **Item was kept pending.**

Services Hospital Lahore

6.12.94: The Committee reiterated its previous decision for effecting the balance recovery as well as arranging separate meters for residential houses. The Department explained that it was facing problem in getting separate connections for residential houses. The Committee directed that the recovery may be pursued. The matter for getting separate connections from WAPDA may also be pursued. The Committee also directed that Member WAPDA may be invited in the next meeting to explain the position vis-à-vis provision of separate meters to residential houses.

6.6.95: The General Manager (Operations) WAPDA was present in the meeting of the PAC on invitation to brief the PAC about provision of separate meters for the residential houses inside the Institutions. He explained that all Institutions are provided with bulk supply connection under Tariff C-2 and WAPDA could not install individual meters inside the compounds of the institutions. Sub-meters had been installed in residential houses by M.S. Services Hospital, who should exercise control over the theft of electricity. WAPDA was prepared to provide assistance to M.S. Services Hospital by way of checking the accuracy of meters and providing anti-theft boxes.

The PAC decided that Punjab Government should take up the matter with the Federal

Government for necessary amendment in the Tariff C-2 to exclude the residential portion of the institutions from the said Tariff so that separate meters could be installed for residences. Till such amendment in Tariff C-2 was made, the accuracy of sub-meters be got checked and anti-theft boxes be provided on them and if any box was found broken or tampered, FIR should be lodged with the police, against the culprit. So far as the position of recovery under this para was concerned, the Department explained that the amount of Rs.647,474 pertained to Nurses Hostel, who were entitled to free electricity and Rs.301,420.23 pertained to Tubewell, which was borne by Government. Out of Rs.367,736 recoverable from the residential houses, Rs.157,241.65 had been recovered and verified by Audit and the recovery of balance amount was being pursued. So far as recovery of Rs.89,450 from canteens was concerned Rs.40,000 had been recovered and verified and the balance recovery was being perused. **The para was kept pending** for balance recovery.

63. Para 10.8.6: Page 103 – Non-refund of Outstanding Advances Rs.124,785

Audit had observed: “The above stated amount was outstanding against the doctors on account of various advances as detailed in the original paras, but the same had not been refunded by them inspite of lapse of considerable period and no action was taken by the departmental Authorities for the refund thereof. Effective steps need to be taken for the refund of advances from the doctors concerned.”

5.1.93: It was directed that clearance certificate from Accountant General, Punjab, be produced to Audit. The para was kept pending.

4.4.93: The Department was directed to recover the balance amount of Rs.50,000 and get it verified by Audit. The para was kept pending.

King Edward Medical College Lahore

6.12.94: The Department explained that the recovery of Rs.50,000 was being made from Prof: Sajjad Hussain through his salary @ Rs.5,257.50 per month. After discussion, the Committee directed that full amount of Rs.50,000 at the earlier installment may be recovered from the monthly pay of Prof: Sajjad Hussain and after the full recovery an intimation in this respect may also be sent to the Accountant-General Punjab Lahore, the Health Department and the Audit Department. The para was settled subject to full recovery of Rs.50,000 and its verification by Audit.

6.6.95: The Department explained that entire amount had been recovered from monthly salary of Prof: Sajjad Hussain. **The para was settled.**

64. Para 10.10: Page 103 – Record Non-production Rs.11,639,118

30.5.02: The Committee noted the para as it contained summary of one case of non-production of record with reference to the undermentioned para 10.10.1.

65. Para 10.10.1(1): Page 104 – Auditable Record not Produced Rs.186,780

Audit had observed: “The auditable record of the under-mentioned formations as detailed

in the original paras of the Audit inspection reports was not produced.”

5.1.93: The Department was directed to produce record within one month, i.e. January, 1993 for verification by Audit. The para was kept pending.

4.4.93: The Department informed the Committee that the record pertaining to 13 wards/units/sections of the Hospital was available with them and could be verified by Audit. Subject to verification by Audit, the para was settled.

Services Hospital Lahore Rs.186,780

6.12.94: The Department explained that the record was available for verification by Audit. The Audit Department explained that checking of voluminous record was involved. The record was not produced in last regular Audit in April-May, 1994. The Committee allowed 2-months to the Department to get the record verified by Audit. Moreover, inquiry may also be held as to why record was not produced at the time of regular Audit.

6.6.95: The Department explained that Medical Superintendent responsible for non-production of record had retired. Anyhow, the relevant record was available and could be produced to Audit. The Public Accounts Committee directed the Department to produce the record to Audit during regular Audit in the next turn. **The para was kept pending.**

66. Para 10.10.1(2): Para 104 – Auditable Record not Produced Rs.10,042,343

5.1.93: The Department was directed to produce complete record to Audit within one month for its verification alongwith break-up of amount. The para was kept pending.

4.4.93: It was brought to the notice of the Committee that recovery of Rs.3,092,615 had been verified by Audit. According to the Department’s contention, the balance amount was not recoverable because the VIP patients were entitled to free room for treatment in the Services Hospital, Lahore. Subject to verification by Audit, **the para was settled.**

Services Hospital Lahore Rs.10,042,343

6.12.94: The Committee directed the Department that record may be produced to Audit for verification. **Item was kept pending.**

67. Para 10.10.1(3): Page 104 – Auditable Record not Produced Rs.962,355

5.1.93: The actual amount of para worked out to be Rs.962,295.70 instead of Rs.962,355. Since Audit had already verified the MSD vouchers with stock/issue entries for Rs.948,602.50 as well as log book entries of POL for Rs.13,693.20, **the para was accordingly settled.**

68. Para 10.10.1(4): Page 104 – Auditable Record not Produced Rs.8,551

5.1.93: Actual payees receipts for Rs.7,164.45 and misplaced receipts duplicates for Rs.1,386.55 were now available for verification as stated by the Department. Subject to verification of record by Audit, the Committee settled this para.

4.4.93: The Department informed the Committee that actual payees receipts had been traced out and were then available for Audit. Subject to verification by Audit, **the para was settled.**

A.D.H.O. Ali Pur Muzaffargarh Rs.8,551

6.12.94: The total amount had been recovered and verified by the Audit. **The item was settled.**

69. Para 10.10.1(5): Page 104 – Auditable Record not Produced Rs.295,376

5.1.93: It was stated by the Department that requisite record had now been made available for verification by Audit. The Committee directed the Audit Department to verify the same if it was the same old genuine one and report in the next meeting. The para was kept pending.

4.4.93: Actual Payee's receipt and challans of deposit of Purchee Fee of MCH Centre having been verified by Audit, **the para was settled.**

70. Para 10.10.1(6): Page 104 – Auditable Record was Produced Rs.143,713

5.1.93: Relevant record having already been verified by Audit, **the para was settled.**

Annexure Paras

71. Para 38 (1)(2)(1981-82): Page 206 – Serial 54-55 Embezzlement/ Misappropriation of Store Rs 16,492

5.1.93: 1. Mayo Hospital Lahore

Out of the total amount of Rs.326,116 there remained only a balance of Rs 16,492 which had since been written off by the Finance Department on 26-09-1989 and verified by Audit on 19-5-1990. **This item was accordingly settled.**

2. D.H.O. Faisalabad

The whole amount of Rs.32,500 had been deposited and verified by Audit. **The para was settled.**

(Commercial)

72. Para 3(x): Page 6 – Government Medical Stores Depot Lahore Para 3(xix): Page 7 – Punjab Pharmacy Council

30.5.02: The paras pertained to the non-compilation/non-submission of accounts by these organisations. The Committee noted them.

Home Department

Overview

Total Paras

96

Abstract

Status	Decision	Para Nos.	Total
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 or category wise break up of irregularities.	Civil: 12.2, 12.4, 12.6, 12.8, 12.10	5
Paras Finally Settled 71	Paras finally settled as the requisite action had been taken.	Civil: 12.4.1(2), 12.4.1(3), 12.4.1(7), 12.4.1(8), 12.4.1(9), 12.4.1(10), 12.4.1(11), 12.4.1(12), 12.4.2, 12.4.3(1), 12.4.3(2), 12.4.3(3), 12.4.3(4), 12.4.3(5), 12.4.4(1), 12.4.4(2), 12.6.1(1), 12.6.1(2), 12.6.1(3), 12.6.1(4), 12.6.2(1), 12.6.3(1), 12.6.3(2), 12.6.3(3), 12.6.3(4), 12.6.3(5), 12.6.3(6), 12.6.3(7), 12.6.3(8), 12.6.4(1), 12.6.4(2), 12.6.4(3), 12.6.4(4), 12.6.4(5), 12.6.4(6), 12.6.4(7), 12.6.4(8), 12.6.4(9), 12.6.4(10), 12.6.4(11), 12.6.4(12), 12.6.4(13), 12.6.4(14), 12.6.4(15), 12.6.4(16), 12.6.4(17), 12.6.4(18), 12.6.4(19), 12.6.4(20), 12.6.4(21), 12.6.4(22), 12.6.4(23), 12.6.4(24), 12.6.5, 12.8.1, 12.8.2(2), 12.8.2(3), 12.8.2(4), 12.8.2(5), 12.8.3(2), 12.8.3(7), 12.8.3(10), 12.8.4, 12.10.1(1), 12.10.1(2), 12.10.1(3), 12.10.1(4), 12.10.1(5), 12.10.1(6), 12.10.1(7), 12.10.1(9)	71
Paras Conditionally Settled 6	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.	Civil: 12.2.2, 12.4.1(1), 12.4.1(4), 12.4.1(6), 12.6.2(2), 12.10.2	6
Paras Pended	Paras pended either because the	Civil: 12.2.1, 12.4.1(5), 12.6.4(25),	13

14	Department had not taken satisfactory action or the working papers had not been submitted.	12.6.6, 12.8.2(1), 12.8.3(1), 12.8.3(3), 12.8.3(4), 12.8.3(5), 12.8.3(6), 12.8.3(8), 12.8.3(9), 12.10.1(8)	
		Annexure Para: 7	1

Discussed on 1 February 1993 and 30 May 2002.

(Civil Audit)

1. Para 12.2: Page 108 – Misappropriation Rs.93,203

30.5.02: The Committee noted the para as it contained summary of two cases of misappropriation with reference to the undermentioned paras 12.2.1 and 12.2.2.

2. Para 12.2.1: Page 108 – Non-recovery of Revolvers Rs.50,000

Audit had observed: “Revolvers worth the stated amount were not recovered from the police officers who had retired, transferred or died, as detailed in the original para. Effective steps are needs to be taken for the recovery of the Government arms.”

1.2.93: Contrary to the record (5 revolvers were stated to have been recovered), it was stated by the Department that 2 revolvers had only been recovered and responsibility for the remaining had yet to be fixed. **The para was kept pending** till full recovery of revolvers was made and the responsibility was fixed upon the defaulters.

3. Para 12.2.2: Page 108 – Misappropriation of Case Property at Police Station New Anarkali Lahore Rs.43,203

Audit had observed: “The stated amount as detailed in the original para was recoverable from the officials on account of value of case property in Police Station, New Anarkali, Lahore which was not recovered. The same needs recovery without further loss of time.”

1.2.93: Audit reported that cases were subjudice at the time of audit and draft para should not have in fact been made. Moreover, the case property register had been verified by it. The Committee directed the Audit Department to take disciplinary action against those responsible for making this superfluous draft para under intimation to the Public Accounts Committee. Accordingly, **the para was settled.**

4. Para 12.4: Page 108 – Non-accountal Rs.5,252,792

30.5.02: The Committee noted the para as it contained summary of four cases of non-accountal with reference to the undermentioned paras 12.4.1, 12.4.2, 12.4.3 and 12.4.4.

5. Para 12.4.1(1): Page 109 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.67,886

Audit had observed: “Under rule 15.4. (a) of PFR Volume I, the store articles received

should be entered in the relevant stock Register. In violation of the above rule stock articles, commodities, uniform and other store valuing the stated extent were either not accounted for in the stock account or incorrect totals were struck in the relevant stock register. The matter needs to be investigated departmentally to recover the cost from the official held responsible.”

1.2.93: Recovery and deposit of Rs.44,924 may be got verified by Audit. Since the Department stated that both the officials were in service, the balance amount of Rs.22,962 was being recovered from each of them at the rate of Rs.1,000 per mensem, the Committee decided to **settled this para** subject to complete recovery and verification by Audit.

6. Para 12.4.1(2): Page 109 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.36,526

1.2.93: Audit having verified the stock entries in the relevant stock registers, **the para was settled.**

7. Para 12.4.1(3): Page 109 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.11,084

1.2.93: Since this para belonged to the Prison Department which had already been settled there, according to the Department. The **Committee directed to delete it from here.**

8. Para 12.4.1(4): Page 109 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.10,006

1.2.93: It was reported that complete recovery had been effected from the concerned Head Constables. Subject to verification of record by Audit, **the para was settled.**

9. Para 12.4.1(5): Page 109 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.84,907

1.2.93: Recovery and deposit of shortages had been verified by Audit while a case of misappropriation for Rs.24,800 was subjudice before the Anti-Corruption Court, the Committee directed to reduce the para to Rs.24,800 and **keep it pending** till the decision of the Court.

10. Para 12.4.1(6): Page 109 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.14,898

1.2.93: It was stated by the Department that recovery of Rs.14,171 had been realized and deposited. Subject to verification of record by Audit, **the para was settled.**

11. Para 12.4.1(7): Page 109 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.26,790

1.2.93: Old and new stock registers of medical equipments/instruments including entries therein had been verified by Audit and no misappropriation was detected. **The para was accordingly settled.**

12. Para 12.4.1(8): Page 109 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.6,388

1.2.93: Recovery and deposit of Rs.4,681.12 as well as POL entries for Rs.1,707.28 had since been verified by Audit, **the para was settled.**

13. Para 12.4.1(9): Page 109 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.4,499,053

1.2.93: Relevant record was seen by the Committee. Stock entries were available. On the assurance of Inspector General, Police that record and entries were original and genuine. The Committee **settled the para.**

14. Para 12.4.1(10): Page 109 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.51,979

1.2.93: Relevant stock entries existed in Inventory Registers had been verified by Audit. With regard to entries of consumable and durable stores, the Committee accepted the assurance of the Department for their correctness and **settled the para.**

15. Para 12.4.1(11): Page 109 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.248,770

1.2.93: Audit reported that entries of durable articles existed in Register while entries of consumables were entered in separate Register and these could not be verified as these appeared to have been made subsequently. The Finance Department read out the text of draft para which, *inter alia*, stated “and other store valuing the stated extent were either not accounted for in the stock account or incorrect totals were struck in the relevant stock register,” to prove that entries did exist at the time of Audit.

The Administrative Secretary assured the Committee that these entries were the original. On the above assurance, the Committee **settled the para** and directed the Department to devise a foolproof system to protect the interest of the Government.

16. Para 12.4.1(12): Page 110 – Non-accountal of Uniform, Firewood, Clothing and Other Store Articles Rs.26,023

1.2.93: Recoveries of the short items for Rs.1,635.25 and Rs.540 had been effected and deposited into the Treasury. Rest of the items were consumable and stock entries were available. Since the above facts had been verified by Audit, **the para was settled.**

17. Para 12.4.2: Page 110 – Incorrect Maintenance of Stock Registers etc. Rs.30,806

Audit had observed: “Store of the stated value were misappropriated in the following manner:-

- (i) Incorrect calculation of balances;
- (ii) Incorrect totals in Stock Registers;
- (iii) Balances less carried forward;
- (iv) Stores transferred from one Register to the other not accounted for; and
- (v) Shortages noticed at the time of physical verification.

The above facts indicated that no departmental checks were applied which resulted in misappropriation of store. The cost of the stores of value stated above, may be recovered from the official concerned after fixing responsibility and steps may be taken to avoid such

recurrence in future.”

1.2.93: Audit had verified that entries of stocks did exist in the relevant Stock Registers. The I.G. Prisons was also satisfied with the correctness of the stock entries, therefore, **the para was accordingly settled.**

18. Para 12.4.3(1): Page 111 – Loss through Short Accountal of Stores Rs.9,419

Audit had observed: “The balance of dietary articles like Ghee, sugar, tea and durable goods like iron doors/guarders and trangers were not carried forward or found short in stock. This shows that proper internal control was not exercised, which resulted in discrepancies. Action should be taken against the official held responsible in addition to recovery of the stated amount.”

1.2.93: Recovery/deposit of Rs.9,419 had since been verified by Audit, **the para was settled.**

19. Para 12.4.3(2): Page 111 – Loss through Short Accountal of Stores Rs.10,000

1.2.93: Stock entries in relevant Stock Registers had since been verified by Audit, **the para was settled.**

20. Para 12.4.3(3): Page 111 – Loss through Short Accountal of Stores Rs.8,940

1.2.93: Actual cost of 298 trangers amounting to Rs.1,490 had since been recovered/deposited into Government Treasury and verified by Audit, **the para was settled.**

21. Para 12.4.3(4): Page 111 – Loss through Short Accountal of Stores Rs.26,453

1.2.93: Audit reported that accountal of 3779 empty gunny bags had been completed and it was physically available. **The para was settled.**

22. Para 12.4.3(5): Page 111 – Loss through Short Accountal of Stores Rs.9,067

1.2.93: Recovery/deposit of Rs.9,067.50 for Shortage of 201.500 K.G. had been effected and verified by Audit. **The para was accordingly settled.**

23. Para 12.4.4(1): Page 111 – Non-accountal/Excess Consumption of P.O.L Rs.11,359

Audit had observed: “P.O.L worth the stated amount was purchased but no stock entry thereof was available in the log book of the Vehicle concerned. POL was, therefore, misappropriated. The matter is required to be looked into by the departmental authorities and recovery made from the defaulter.”

1.2.93: An amount of Rs.418.50 had been counted twice, therefore, the actual amount came to Rs.10,940.75 for which POL entries for Rs.9,604 and recovery/deposit of Rs.1,420.75 had since been verified by Audit. Accordingly, **the para was settled.**

24. Para 12.4.4(2): Page 111 – Non-accountal/Excess Consumption of P.O.L Rs.62,438

1.2.93: Recovery/deposit of Rs.15,106.43 and POL entries for Rs.47,332.49 had since been verified by Audit, **the para was settled.**

25. Para 12.6: Page 112 – Rules Violation Rs.11,633,779

30.5.02: The Committee noted the para as it contained summary of six cases of violation of rules with reference to the undermentioned paras 12.6.1, 12.6.2, 12.6.3, 12.6.4, 12.6.5 and 12.6.6.

26. Para 12.6.1(1): Page 112 – Purchases without Observing Codal Formalities Rs.57,000

Audit had observed: “The purchases were made without exercising economical measures required vide Rule 15.2. of P.F.R. Vol.I, which lays down that when local purchases are made from open market, the system of open tenders for competitive rates should be adopted. Since the expenditure was incurred without observing codal provisions it needs to be regularized with the sanction of the Competent Authority.”

1.2.93: Quotations and sanction of the Competent Authority had since been verified by Audit, **the para was settled.**

27. Para 12.6.1(2): Page 112 – Purchases without Observing Codal Formalities Rs.13,400

1.2.93: Quotations had since been verified by Audit, **the para was settled.**

28. Para 12.6.1(3): Page 112 – Purchases without Observing Codal Formalities Rs.69,829

1.2.93: Since purchase was made through state enterprise, therefore, quotations were not required, as per Government instructions issued vide Notification No.SOS/II(6)/74, dated 7.1.1977. Moreover, the income tax was not deducted as per Commissioner Income Tax letter No.J-198(3)/CC-vii/86-87/5010 dated 10.7.1986. Audit having verified the above record, **the para was settled.**

29. Para 12.6.1(4): Page 112 – Purchases without Observing Codal Formalities Rs.332,800

1.2.93: Purchase of two Toyota Hilux was made after advertisement in the press and after observing codal and procedural formalities. Audit having verified the record, **the para was settled.**

30. Para 12.6.2(1): Page 113 – Purchases of Stores at Higher Rates Rs.35,260

Audit had observed: “Excess payment was made to the above extent to different firms due to purchase of store i.e. chappals, steel Helmets, Whistles, mosquitonets, charpies etc., at higher rates without recording any cogent reasons as detailed in the original paras, which resulted into heavy loss to Government. Due attention was not given to rule 15.4 of PFR. Vol.I which provides that purchases should be made in most economical manner. The expenditure needs to be regularized.”

1.2.93: Excess payments, had since been recovered and deposited into the Treasury while purchases were made after fair competition. Audit having verified the relevant record, **the para was settled.**

31. Para 12.6.2(2): Page 113 – Purchases of Stores at Higher Rates Rs.6,470

1.2.93: Audit reported that certain purchases were made at higher rates and justification for such purchases was not recorded. The Committee **settled the para** with an observation

that the Competent Authority must record sound reasons for accepting other than the lowest quotation.

32. Para 12.6.3(1): Page 113 – Expenditure on Works without Administrative Approval and Technical Sanction Rs.227,199

Audit had observed: “Expenditure to the extent was incurred in connection with repairs etc., without obtaining Administrative approval and technical sanction from the Competent Authority.”

1.2.93: Ex-post facto sanction of Technical Sanction for repair works for four years by the Competent Authority had been obtained by the Department which had also been verified by Audit. The Committee directed the Department to obtain Technical Sanction/approval before commencement of works in future. With the above directions, **the para was settled.**

33. Para 12.6.3(2): Page 113 – Expenditure on Works without Administrative Approval and Technical Sanction Rs.1,101,369

1.2.93: Estimates for repairs duly vetted by the Buildings Department and Technical Sanction issued by the Competent Authority for 1985-86 to 1987-88 had since been verified by Audit, **the para was settled.**

34. Para 12.6.3(3): Page 113 – Expenditure on Works without Administrative Approval and Technical Sanction Rs.1,569,480

1.2.93: Technical Sanction issued by the Competent Authority for repair of Police Stations had been verified by Audit. One such project had an estimate of Rs.13 lac which was approved by I.G. Police. The financial authority had not therefore, been exceeded. In view of the above position, the Committee **settled the para.**

35. Para 12.6.3(4): Page 113: Expenditure on Works without Administrative Approval and Technical Sanction Rs.50,000

1.2.93: Technical Sanction issued by the Competent Authority for repair of five Police Stations for Rs.10,000 each had since been verified by Audit, **the para was accordingly settled.**

36. Para 12.6.3(5): Page 113 – Expenditure on Works without Administrative Approval and Technical Sanction Rs.249,880

1.2.93: Audit having verified the Technical Sanction issued by the Competent Authority for repair of 26 police stations with item rates and estimates duly vetted by the Buildings Department in each case, **the para was settled.**

37. Para 12.6.3(6): Page 113 – Expenditure on Works without Administrative Approval and Technical Sanction Rs.179,943

1.2.93: Audit having verified the Technical Sanction issued by the Competent Authority and estimates duly vetted by the Buildings Department, **the para was settled.**

38. Para 12.6.3(7): Page 113 – Expenditure on Works without Administrative Approval and Technical Sanction Rs.199,952

1.2.93: Estimate for repairs duly vetted by the Buildings Department and Technical

Sanction issued by the Competent Authority had since been verified by Audit, **the para was settled.**

39. Para 12.6.3(8): Page 114 – Expenditure on Works without Administrative Approval and Technical Sanction Rs.27,499

1.2.93: The expenditure was incurred after Technical Sanction issued by the Competent Authority but estimates were not got vetted by the Buildings Department. The Committee **settled the para**, but directed the Department to note Audit observation for future compliance.

40. Para 12.6.4(1): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.48,107

Audit had observed: “Expenditure to the tune of stated amount was incurred on the purchases of furniture, stationery and other miscellaneous items without the sanction of the Competent Authority. NOC from the Printing & Stationery Department, was not obtained. Purchases were split up in order to avoid sanction of higher authority in contravention of Rule 15.2 of PFR Vol.I and Sr. No.3(b) (xxvii) of Delegation of Powers and Financial rules, 1962.”

1.2.93: Audit having verified the sanction dated 25.5.1988, **the para was settled.**

41. Para 12.6.4(2): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.44,133

1.2.93: The expenditure was incurred during 1980-81 to 1987-88 for miscellaneous items and repair works. On clarification by the Finance Department on 11.12.1988, it was determined that expenditure incurred was covered under Sr. No.3(a) Delegation of Financial Powers and not under the para No.3(b)(XXVII) *ibid*, alleged by Audit in its observation.

Audit had verified that expenditure on miscellaneous items was in order while for repairs it verified the Finance Department’s clarification and Technical Sanction issued by the Competent Authority.

The Committee took strong exception to this, as the matter ought to have been sorted out at the Departmental Accounts Committee level. In view of the above position, **the para was settled.**

42. Para 12.6.4(3): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.49,440

1.2.93: The expenditure had been incurred validly with the approval of the Competent Authority as clarified by the Finance Department vide its memo No.FD (FR)II-I/78 Vol-II dated 11.12.88. Audit having verified the Finance Department’s Clarification and related vouchers, **the para was settled.**

43. Para 12.6.4(4): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.164,879

1.2.93: The expenditure had been validly incurred with the approval of the Competent Authority as clarified by the Finance Department vide its memo dated 11.12.88. Audit having verified the Finance Department’s clarification and the relevant record, **the para was settled.**

44. Para 12.6.4(5): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.15,400

1.2.93: The expenditure had been validly incurred with the approval of the Competent Authority as clarified by the Finance Department vide its memo dated 11.12.1988. Audit having verified the record, **the para was settled.**

45. Para 12.6.4(6): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.3,060,752

1.2.93: The expenditure had been validly incurred with the approval of the Competent Authority as clarified by the Finance Department vide its memo dated 11.12.1988. Audit having verified the record, **the para was settled.**

46. Para 12.6.4(7): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.94,900

1.2.93: The expenditure had been validly incurred with the approval of the Competent Authority in terms of S.No.3(a) of second schedule of powers under financial rules, 1962. Audit having verified the record, **the para was settled.**

At this stage, the Committee directed the Audit Department to hold inquiry whether the concerned Audit Officer was aware of these powers and clarification of the Finance Department. The Committee expressed its concern over these unnecessary Audit observations.

47. Para 12.6.4(8): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.59,350

1.2.93: The expenditure had been validly incurred with the approval of the Competent Authority in terms of S.No.3 (a) of second schedule of powers under financial rules, 1962. Audit having verified the record, **the para was settled.**

48. Para 12.6.4(9): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.15,000

1.2.93: Since the expenditure had been incurred with the approval of the Competent Authority and verified by Audit, **the Committee settled this para.**

49. Para 12.6.4(10): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.218,853

1.2.93: The expenditure had been incurred during 1982-83 to 1986-87 for purchase of dietary items according to approved contract rates. The expenditure was found in order by Audit. The record having been verified by Audit, **the para was settled.**

50. Para 12.6.4(11): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.171,140

1.2.93: Sanction of the Competent Authority for incurring expenditure as well as the relevant record had since been verified by Audit, **the para was settled.**

51. Para 12.6.4(12): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.826,330

1.2.93: Sanction of the Competent Authority for incurring expenditure as well as the relevant record had since been verified by Audit, **the para was settled.**

52. Para 12.6.4(13): Page 114 – Irregular Expenditure of Rs.22,627

1.2.93: Expenditure during 1982-83 to 1986-87 was found in order. Audit has, however, verified the clarification of Finance Department dated 11-12-1988 and the relevant record. **The para was accordingly settled.**

53. Para 12.6.4(14): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.96,648

1.2.93: NAC had been obtained from the Manager, Provincial Stationery Office Lahore, before purchase. Sanction of the Competent Authority for incurring expenditure as well as the relevant record had since been verified by Audit, **the para was settled.**

54. Para 12.6.4(15): Page 114 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.81,634

1.2.93: NAC had been obtained from the Manager, Provincial Stationery Office Lahore, before purchase. Sanction of the Competent Authority for incurring expenditure as well as the relevant record had since been verified by Audit, **the para was settled.**

55. Para 12.6.4(16): Page 115 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.148,000

1.2.93: Sanction of the Competent Authority for incurring expenditure as well as the relevant record had since been verified by Audit, **the para was settled.**

56. Para 12.6.4(17): Page 115 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.63,124

1.2.93: Ex-post facto sanction issued by the Competent Authority for repair of Police building had since been verified by Audit, **the para was settled.**

57. Para 12.6.4(18): Page 115 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.260,496

1.2.93: According to the Administrative Secretary, since this para could not be traced in the Home Department, the Committee directed to delete it from here and asked the Audit Department to transfer it to the concerned Department. **The para was kept pending.**

58. Para 12.6.4(19) Page 115 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.524,092

1.2.93: The purchase was found in order according to the Finance Department's clarification dated 11.12.1988. Audit having verified the record, **the para was settled.**

59. Para 12.6.4(20): Page 115 – Irregular Expenditure on the Purchase of Furniture and

Stationery Rs.507,658

1.2.93: Audit reported that purchase of various items was covered by clarification of the Finance Department dated 11.12.1988 after sanction of the Competent Authority. As far as rejection of furniture samples and lowest tenders was concerned purchase was made at higher rates without recording reasons. The Finance Department remarked that discretion had been used for purchase of furniture worth Rs.5 lac which should have been exercised judiciously. After due deliberations, the Committee dropped the earlier part but the latter **part was settled** with an observation that in future detailed reasons must be recorded, for rejecting the lowest tender.

60. Para 12.6.4(21): Page 115 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.62,456

1.2.93: The Department had obtained the ex-post facto sanction of the Competent Authority. Audit had verified the record and clarification of the Finance Department dated 11.12.1988. **The para was settled.**

61. Para 12.6.4(22): Page 115 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.56,669

1.2.93: The Department had obtained ex-post facto sanction of the Competent Authority for an amount of Rs.47,333 as an amount of Rs.9,336 had been accounted twice. Audit had verified the record and clarification of the Finance Department dated 11.12.1988. **The para was settled.**

62. Para 12.6.4(23): Page 115 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.23,797

1.2.93: The actual amount of the para in A.I.R. was for Rs.44,793 for the year 1987-88 for which sanction of the Competent Authority, viz. Inspector General Prisons, had already been obtained in accordance with Finance Department's Clarification of 11.12.1988. Audit had verified the record. **The para was settled.**

63. Para 12.6.4(24): Page 115 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.11,357

1.2.93: Five Nos. tyres had been purchased after obtaining NAC from SP/M.T. with sanction of the Competent Authority. Audit having verified the record, **the para was settled.**

64. Para 12.6.4(25): Page 115 – Irregular Expenditure on the Purchase of Furniture and Stationery Rs.278,862

1.2.93: Since the case had been referred to the Finance Department for regularization, **the para was kept pending.** The Department was directed to provide in future memo No. and date of the case referred to the Finance Department in the working-paper for follow up by the Finance Department's representative.

65. Para 12.6.5: Page 115 – Hiring of Office Cum-Residence Rs.120,000

Audit had observed: "The hiring of private building for office-cum-residence is not

permissible under the Standing Orders of the Finance Department. In violation thereof, the amount stated above was spent on payment of rent of building hired for office-cum-residence for S.D.P.O Fatehjang at Attock without the sanction of the Finance Department. The matter should be referred to the Finance Department for appropriate action”.

1.2.93: Audit having verified the sanction of D.I.G., Rawalpindi and NAC issued by the Buildings Department, **the para was settled.**

66. Para 12.6.6: Page 115 – Irregular Expenditure on Repair of Government Vehicles Rs.487,994

Audit had observed: “Under Serial No.7-B of Delegation of Powers under Financial Rules 1962, repairs of Government Vehicles should be carried out in government workshop. In the absence of Government Workshop, open tenders should be invited to ensure economical repairs. The expenditure for repair was found neither vetted from Government workshop nor open tenders were invited for economical repairs and the disposal of replaced parts was also not shown to Audit. The expenditure was, therefore, irregular. The matter should be referred to the higher Authorities for appropriate action.”

1.2.93: **The para was kept pending** for verification by Audit.

67. Para 12.8: Page 116 – Recovery Outstanding Rs.3,590,668

30.5.02: The Committee noted the para as it contained summary of four cases of outstanding recovery with reference to the undermentioned paras 12.8.1, 12.8.2, 12.8.3 and 12.8.4.

68. Para 12.8.1: Page 116 – Non-recovery of Sale Proceeds of Jail Products Rs.60,943

Audit had observed: “Jail products for the stated amount sent to the show room at Lahore for exhibition and sale proceeds for the period from 7/84 to 6/88 were still not deposited into Government Treasury in violation of rule 4.1 of PFR Vol.I. Strenuous efforts are required to be made for the recovery of the same.”

1.2.93: Out of Rs.163,567 sale proceeds of articles at Display Center Lahore for Rs.135,369 and balance articles for Rs.28,203 were still lying at the Center and had been verified by Audit along with its record. **The para was accordingly settled.**

69. Para 12.8.2(2): Page 117 – Liquidated Damages not Recovered Rs.453,731

Audit had observed: “Earnest money equal to 2% of the supply order should have been forfeited on account of liquidated damages of late delivery of trucks, motor cars, motor cycles and non completion of fabrication of 42 Bed Ford Bodies. The amount is to be recovered from the contractors/firms who failed to comply with the terms & conditions to deliver the vehicles on the agreed dates.”

1.2.93: Late delivery charges were not applicable in this case as per contract amendment duly concurred by the Finance Department vide Memo No. PO (Home) POL-33/86-87 dated 19.9.92. The above position had since been verified by Audit, **the para was settled.**

70. Para 12.8.2(3): Page 117 – Liquidated Damages not Recovered Rs.251,526

1.2.93: Entire amount of Rs.251,526 on account of late delivery charges had since been deducted by A.G., Punjab Lahore, vide his letter No.SY-I/C.D/1987 dated 24.5.89 which had been verified by Audit, **the para was accordingly settled.**

71. Para 12.8.2(4): Page 117 – Liquidated Damages not Recovered Rs.12,000

1.2.93: Rs.4,800 were deducted and adjusted against the security of the firm for late delivery charges of 4 Kawasaki Motor Cycles while the remaining amount of Rs.7,200 had been condoned by the Government with the concurrence of the Finance Department. Audit having verified the relevant record, **the para was settled.**

72. Para 12.8.2(5): Page 117 – Liquidated Damages not Recovered Rs.226,460

1.2.93: Audit had verified actual recoverable amount of Rs.91,582 against Rs.226,460 on account of late delivery charges on the basis of amendment issued by the Home Department. Actual amount of Rs.91,582 had since been deducted by A.G., Punjab Lahore, from the concerned firms. Audit having verified the record, **the para was settled.**

73. Para 12.8.3(1): Page 117 – Non-recovery of Excess Expenditure on Residential Telephone of Rs.1,384,723

Audit had observed: “Expenditure to the stated amount was incurred on account of residential telephone calls in excess of the prescribed limit. Moreover, recovery for private trunk calls was not made. Strenuous efforts should be made to recover the Government dues from the officers concerned without further delay and credited into government Account.”

1.2.93: The matter had since been referred to the Finance Department for regularization of excess expenditure. **The para was kept pending** with a direction to the Department for follow up with the Finance Department. Policy decision must also be taken by the Government to enhance the ceiling.

74. Para 12.8.3(2): Page 117 – Non-recovery of Excess Expenditure on Residential Telephone Rs.5,484

1.2.93: The actual amount recoverable worked out to be Rs.5,314.98 instead of Rs.5,484 which had since been recovered and deposited into the treasury and verified by Audit. **The para was accordingly settled.**

75. Para 12.8.3(3): Page 117 – Non-recovery of Excess Expenditure on Residential Telephone Rs. 49,564

1.2.93: Since the matter had been referred to the Finance Department for regularization of excess expenditure, **the para was kept pending.**

76. Para 12.8.3(4): Page 117 – Non-recovery of Excess Expenditure on Residential Telephone of Rs.91,766

1.2.93: Since the matter had been referred to the Finance Department for regularization of excess expenditure, **the para was kept pending.**

77. Para 12.8.3(5): Page 117 – Non-recovery of Excess Expenditure on Residential

Telephone Rs.71,485

1.2.93: Since the matter had been referred to the Finance Department for regularization of excess expenditure, **the para was kept pending.**

78. Para 12.8.3(6): Page 117 – Non-recovery of Excess Expenditure on Residential Telephone Rs.30,802

1.2.93: Since the matter had been referred to the Finance Department for regularization of excess expenditure, **the para was kept pending.**

79. Para 12.8.3(7): Page 117 – Non-recovery of Excess Expenditure on Residential Telephone Rs.8,940

1.2.93: Recovery and deposit of Rs.8,940 having been verified by Audit, **the para was settled.**

80. Para 12.8.3(8): Page 118 – Non-recovery of Excess Expenditure on Residential Telephone Rs.244,489

1.2.93: Since the matter had been referred to the Finance Department for regularization of excess expenditure, **the para was kept pending.**

81. Para 12.8.3(9): Page 118 – Non-recovery of Excess Expenditure on Residential Telephone Rs.102,021

1.2.93: Since the matter had been referred to the Finance Department for regularization of excess expenditure, **the para was kept pending.**

82. Para 12.8.3(10): Page 118 – Non-recovery of Excess Expenditure on Residential Telephone Rs.10,263

1.2.93: Recovery and deposit of Rs.10,263 from the concerned officers having been verified by Audit, **the para was settled.**

83. Para 12.8.4: Page 118 – Recovery Outstanding of Motor Cycle/Cycle Advance Rs.556,895

Audit had observed: “Recovery towards repayment of Motor Cycle/Cycle Advances paid to the various officials during February 1986 to February 1988 as detailed in the original para, were not affected so far. Under rule 10.23 of PFR Vol.I recovery of conveyance advances should commence from first issue of pay after the drawal of advance. The recovery due on this account needs to be affected without further delay.”

1.2.93: Motor Cycles were purchased out of the revolving fund for use by the Punjab Police Force and regular monthly installments had been effected through payroll of concerned officials. Audit having verified the relevant record, **the para was settled.**

84. Para 12.10: Page 118 – Record Non-production Rs.6,902,786

30.5.02: The Committee noted the para as it contained summary of two cases of non-production of record with reference to the undermentioned paras 12.10.1 and 12.10.2.

85. Para 12.10.1(1): Page 119 – Actual Payee Receipts not Produced Rs.8,983

Audit had observed: “The expenditure to the extent was incurred as per record of the offices but neither the actual payee receipts in support of claims having been paid were produced nor the acknowledgement of receipt of the articles was traceable in the relevant stock registers.”

1.2.93: Audit having verified the payee receipts towards payment of electricity bills, **the para was settled.**

86. Para 12.10.1(2): Page 119 – Actual Payee Receipts not Produced Rs.815,717

1.2.93: Audit having verified the payee receipts towards payment of POL and cloth etc., **the para was settled.**

87. Para 12.10.1(3): Page 119 – Actual Payee Receipts not Produced Rs.4,462,448

1.2.93: Audit having verified the relevant payee receipts, **the para was settled.** At this stage, the Chairman of the Public Accounts Committee directed the Department that in future the relevant record must be produced at the time of Audit inspection for its verification.

88. Para 12.10.1(4): Page 119 – Actual Payee Receipts not Produced Rs.42,090

1.2.93: Audit having verified the Finance Department’s clarification dated 11.12.88 and the relevant record, **the para was settled.**

89. Para 12.10.1(5): Page 119 – Actual Payee Receipts not Produced Rs.248,369

1.2.93: Audit having verified the relevant record, **the para was settled.**

90. Para 12.10.1(6): Page 119 – Actual Payee Receipts not Produced Rs.239,979

1.2.93: Audit having verified the record, **the para was settled.**

91. Para 12.10.1(7): Page 119 – Actual Payee Receipts not Produced Rs.289,364

1.2.93: Audit having verified the actual payee receipts, **the para was settled.**

92. Para 12.10.1(8): Page 119 – Actual Payee Receipts not Produced Rs.261,109

1.2.93: Audit had since verified the record but inspection report was still awaited. **The para was kept pending.**

93. Para 12.10.1(9): Page 119 – Actual Payee Receipts not Produced Rs.80,269

1.2.93: Actual payee receipts had since been verified by Audit, **the para was accordingly**

settled.

94. Para 12.10.2: Page 119 – Consumption Accounts not Produced Rs.454,458

Audit had observed: “seed and Fertilizer were purchased from 2/85 to 6/88 but consumption account in Crop register No.PR No.41, was not made available. The utilization of the seed and fertilizer valuing to the stated extent could not therefore, be verified. The expenditure therefore, needs to be justified.”

1.2.93: Subject to verification of record of seed and fertilizer by Audit, **the para was settled.**

Housing, Physical and Environmental Planning Department Overview

Total Paras

76

Abstract

Status	Decision	Para Nos.	Total
Paras Finally Settled 49	Paras finally settled as the requisite action had been taken.	Works: Public Health Engineering Department I-2, I-3, I-5, I-7, I-8, I-9, I-10, I-11, I-12, I-13, I-14, I-15, I-16, I-17, I-19, II-2, III-1	17
		Annexure Paras: 105(6), 105(9), 107(2), 158(i), 19(2), 86, 124(4), 110(2)	8
		Housing and Physical Planning Department: I-1, I-2, I-4, I-5, II-1, III-1	6
		Lahore Development Authority: I-5, I-7, I-8, I-9, II-I, III-1	6
		Annexure Paras: 99, 110(1), 110(2), 114(2)	4
		Multan Development Authority: I-1, II-1(i), II-3, II-4, II-5	5
		Faisalabad Development Authority: I-1	1
		Annexure Paras: 26, 27	2
Paras Conditionally Settled 7	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.	Works: Public Health Engineering Department: I-1, I-18, II-1	3
		Annexure Paras: 106(i), 107(3)	2
		Lahore Development Authority: I-6	1
		Multan Development Authority: II-2	1
Paras Pended 20	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Works: Public Health Engineering Department: I-4, I-6	2
		Annexure Paras: 106(4), 107(i), 109(2), 113(i), 108(i), 114	6
		Housing and Physical Planning Department: I-3, I-6	2
		Audit Performance Report: Chapter I, II	2
		Lahore Development Authority: I-1, I-2, I-3, I-4	2

		4
	Annexure Paras: 95(4), 119(4)	2
	Multan Development Authority: II-1(ii)	1
	Faisalabad Development Authority: I-2	1

Discussed on 5, 7 & 13 April 1993, 7 March, 7, 14 May & 17 August 1995 and 12 November 1998

(Works Audit) Public Health Engineering Department

1. Para I-1: Page 133 – Excess Payment to a Contractor Rs.26,200

Audit had observed: “Payment for providing and fixing G.I.Specials for jointing G.I.Pipes in trenches in a water supply scheme was made in addition to the composite rate for providing and laying of G.I., Pipes as per C.S.R. 1979, which is also inclusive of the cost of specials. This resulted in an overpayment of Rs.26,200 to a contractor.”

7.4.93: The Department made commitment before the Committee that recovery of Rs.26,200 would be made from the contractors within a fortnight. Subject to verification by Audit, **the para was settled.**

2. Para I-2: Page 133 – Excess Payment to a Contractor Rs.21,000

Audit had observed: “Payment for R.C.C placed on collars over joints of R.C.C. pipes (Which do not involve form work), was made at the rate admissible for R.C.C. involving form work which resulted in an overpayment of Rs.21,000 to a contractor.”

7.4.93: Since SRC was seized of the matter, the para was kept pending.

12.11.98: The Department explained that full amount of Rs.21,000 had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

3. Para I-3: Page 133-134 – Excess Payment to a Contractor Rs.11,200

Audit had observed: “11663 cft of surplus excavated earth available at site of work, was not deducted from the total quantity of earth, brought from outside sources and filled in the streets, which resulted in an overpayment of Rs.11,200 to a contractor.”

7.4.93: Full recovery having been effected and verified by Audit, **the para was settled.**

4. Para I-4: Page 134 – Excess Payment to a Contractor Rs.39,000

Audit had observed: “Payment for providing and fixing G.I Specials for joining G.I. pipes in trenches in a water supply scheme was made in addition to the composite rate for providing and laying of G.I.Pipes as per CSR. 1979, which is also inclusive of the cost of specials. This resulted in an overpayment of Rs.39,000 to a contractor in July 1987.”

7.4.93: The Department contended that the rates paid were based on CSR which did not include the cost of C.I. specials and separate payment for C.I. specials had been correctly made. The para was kept pending for verification of departmental contention by Audit.

7.3.95: The para was also brought before the Public Accounts Committee in April, 1993 and October, 1994. Both the times the Department was directed to complete the disciplinary action against the defaulter at the earliest, but the same had been not yet completed. The Public Accounts Committee showed displeasure over such state of affairs and pressed upon the Department for disciplinary action against the officer responsible and recovery from him as per previous directives of the Public Accounts Committee. The para was kept pending.

12.11.98: The Department explained that the amount involved had been reduced from Rs.39,000 to Rs.23,557 and position had also been verified by Audit. The S.E. Public Health Engineering Circle Dera Ghazi Khan had been asked for the balance recovery as the concerned contractor was working in that area. Anyhow, the recovery was not justified as the CSR did not allow the cost of G.I. Special and therefore, the cost of G.I. Special was paid separately. The PAC directed the Department to produce the relevant record to Audit to prove the justification of special rate paid to the contractor as directed by the PAC previously on 7.4.93. Otherwise the recovery may be effected under intimation to PAC and Audit. **The para was kept pending.**

5. Para I-5: Page 134 – Excess Payment to two Contractors due to Non-deduction of Excavated Earth Rs.20,400

Audit had observed: “26637.56 cft. earth obtained as a result of excavation of drains, was not deducted from the earth filling in streets, brought from outside. Non-deduction of excavated earth, resulted in an overpayment of Rs.20,400 to two contractors in July 1988 and February 1989.”

7.4.93: Full recovery of Rs.20,439.35 on account of deduction of surplus earth at site, having been effected and verified by Audit, **the para was settled.**

6. Para I-6: Page 135 – Excess Payment to the Contractors Rs.99,231

Audit had observed: “Payment for lead of carriage of earth (required for filling in streets), was made in excess of the provision in the contract which resulted in an overpayment of Rs.99,231 to the contractors in June 1988.”

7.4.93: The Administrative Secretary informed the Committee that Technical Sanction was made before payment to the contractor. The lead of 3/2 miles was provided in the Technical Sanction. Audit insisted that lead of one mile was provided in the contract. The Committee heard the views, both of the Department as well as of Audit and reserved its decision to be given in the minutes.

12.11.98: The Department explained that payment was made for three miles & two miles lead as provided in the technical sanction. Also the earth was not available within one mile lead. Therefore, the payment made was in order. The Finance Department apprised the PAC that lead could not be enhanced after the agreement and in the agreement one mile lead was provided which was enhanced later on.

The PAC was not satisfied with the explanation and directed that the Administrative Secretary may himself look into the matter to see whether the excess payment had been made with malafide intention or otherwise. If it was with malafide intention then the recovery may be effected from the contractor or the officer concerned who allowed the enhanced lead. **The**

para was kept pending.

7. Para I-7: Page 135 – Excess Payment to a Contractor Rs.13,600

Audit had observed: “Payment for wet-sinking of well was made by taking the ground level as zero, whereas according to C.S.R, 1979, the zero level for wet-sinking is the last level where dry sinking ends. The adoption of incorrect level led to overpayment of Rs.13,600 to a contractor in June 1988.”

7.4.93: Full recovery of Rs.13,564 having been effected and verified by Audit, **the para was settled.**

8. Para I-8: Page 135-136 – Excess Payment to Nine Contractors Rs.22,200

Audit had observed: “Payment for filling earth in streets, was not made at the rate provided in the agreement but it was made at the rate of filling earth, under floors which was on the higher side and this resulted in an overpayment of Rs.22,200 to nine contractors during 1988.”

7.4.93: Question of rate having been referred to the Standing Rates Committee, the Finance Department clarified that Department had correctly applied the rate and no overpayment was involved. **The para was accordingly settled.**

9. Para I-9: Page 136 – Excess Payment to Four Contractors Rs.10,000

Audit had observed: “Payment for brick work of drains was made at the rate of brick work for structures other than building instead of the rate for foundation and plinth which was on the lower side, resulting in an overpayment of Rs.10,000 to four contractors during 1988.”

7.4.93: Actual recovery of Rs.11,780 having been effected and verified by Audit, **the para was settled.**

10. Para I-10: Page 136 – Excess Payment to a Contractor Rs.31,500

Audit had observed: “Payment for lead of earth brought from outside, was made for distances greater than those provided in the agreement, which resulted in an overpayment of Rs.31,500 to a contractor.”

7.4.93: The Administrative Secretary stated that inquiry had been ordered to probe into the matter and determine the responsibility. The para was kept pending.

12.11.98: The Department explained that full recovery had been effected from the contractor and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

11. Para I-11: Page 136-137 – Excess Payment to Various Contractors Rs.87,400

Audit had observed: “1,24,696 cft (112483 + 12213) of surplus excavated earth (available at site of work), was not deducted from the total quantity of earth, brought from outside sources and filled in the streets which resulted in an overpayment of Rs.87,400 to certain contractors.”

7.4.93: Recovery of Rs.70,332 stood verified by Audit while the Department made commitment to effect balance recovery of Rs.8,015 within one month. The para was kept pending.

12.11.98: The Department explained that full recovery had been effected and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

12. Para I-12: Page 137 – Excess Payment to Certain Contractors Rs.41,100

Audit had observed: “Payment for excavation for settling tank was incorrectly made at the rate of excavation of foundation of buildings, although the rate was correctly provided in the sanctioned estimates. This resulted in an overpayment of Rs.41,100 to certain contractors.”

7.4.93: Actual loss to the Government to the tune of Rs.29,929 instead of Rs.41,100 had been recovered and verified by Audit. The Department was, however directed to see if the overpayment had been made with malafide intention, then disciplinary action should be taken against the officer/official responsible for it. The para was settled.

7.5.95: The Department explained that the overpayment of Rs.41,100 had been recovered and verified by Audit. In the departmental inquiry it had been approved that no malafide intention on the part of any officer/official was involved in this overpayment. **The para was settled.**

13. Para I-13: Page 137 – Excess Payment to Certain Contractors Rs.22,725

Audit had observed: “Payment for restoration of brick pavement on edge over laid sewer line with 2” sand cushion under soling” was made at non-schedule rates which was incorrect and resulted in an overpayment of Rs.22,725 to certain contractors from February to June 1987.”

7.4.93: An amount of Rs.11,186 had been recovered and verified by Audit while Rs.11,539 was still outstanding for which the Department had referred the case to the District Collector for recovery as arrears of land revenue. The Committee directed the Department to pursue the case at personal level. The para was kept pending.

7.5.95: The Department explained that the balance recovery of Rs.11,539 had not been made good and accounted for in the monthly account for January, 1995. Subject to verification of the final bill of the contractors, the para was settled.

12.11.98: The Department explained that full recovery of Rs.23,000 had been completed and got verified by Audit alongwith the final bill of the contractors. The PAC accepted the explanation and **the para was settled.**

14. Para I-14: Page 138 – Excess Payment to Certain Contractors Rs.18,200

Audit had observed: “Payment of Rs.18,200 was made to contractors for refilling the excavated earth, in the foundation of drains. The payment was not in order because the rate of refilling is included in the composite rate of excavation as per C.S.R. 1979.”

7.4.93: Full recovery of Rs.18,200 had been effected and verified by Audit. **The para was settled.**

15. Para I-15: Page 138 – Excess Payment to a Contractor Rs.74,200

Audit had observed: "Tenders for the work received on 23-8-1980, were accepted after two years viz on 26-7-1982 at the rates of August, 1980, although they had been reduced in May 1981, due to issue of A.C No.9 dated 21-5-1981 of CSR 1979. The action of the Department for accepting the tender at old rates resulted in extra payment of Rs.74,200 to a contractor."

7.4.93: The departmental contention was found correct and duly supported by Audit. **The para was settled.**

16. Para I-16: Page 138 – Excess Payment to a Contractor Rs.18,200

Audit had observed: "27686 cft earth obtained, as a result of excavation of drains, was not deducted from the quantity of earth brought from outside sources and filled in streets which resulted in an overpayment of Rs.18,200 to a contractor in June 1988."

7.4.93: Total recovery of Rs.18,238 had been effected from the contractor and verified by Audit. **Hence the para was settled.**

17. Para I-17: Page 139 – Excess Payment to a Contractor Rs.30,950

Audit had observed: "Earth obtained from excavation was not deducted from the total quantity used in the work and paid as brought from outside sources which, resulted in an overpayment of Rs.30,950 to a contractor."

7.4.93: As a result of verification made by Audit, no overpayment was involved in this case. Accordingly, **the para was settled.**

18. Para I-18: Page 139 – Excess Payment to a Contractor Rs.57,377

Audit had observed: "Deduction of volume of pipe from the quantity of P.C.C. laid over R. C.C. pipe was calculated according to internal dia of the pipe instead of the external dia, which resulted in an overpayment of Rs.57,377 to a contractor."

7.4.93: Three contracts were involved. The Department had first admitted overpayment of Rs. 39,759 instead of Rs.57,400. Over a period of 5 years recovery of Rs.32,283 had been effected and verified by Audit when it emerged that actual recoverable amount came to Rs.2,370.40 instead of Rs.57,400. The Committee directed the Department to reconcile this matter with Audit in the presence of concerned Engineer. The para was kept pending.

12.11.98: The Department explained that full recovery had been effected. The PAC **settled the para** subject to verification of record pertaining to full recovery by Audit.

19. Para I-19: Page 139-140 – Excess Payment to a Contractor Rs.12,200

Audit had observed: "Quantity of surplus excavated earth available at site of work, was not deducted from the total quantity filled in the streets and was paid as brought from outside which resulted in an overpayment of Rs.12,200 to a contractor."

7.4.93: Recovery of Rs.12,200 had been adjusted from the final bill of the contractor, **hence the para was settled.**

20. Para II-1: Page 141 – Loss to Government Rs.39,100

Audit had observed: "P.V.C. Pipe costing Rs.39,100 was used in Rising Main of an Over-

head Resorvior and in crossing nallah in a water supply work. The use of P.V.C Pipe in said places was not approved by the client Department and which was replaced by G.I.. Pipe. Hence the expenditure of Rs.39,100 incurred on the use of P.V.C pipe was rendered waste.”

7.4.93: The record was lost in transit on way to Lahore for verification by Audit and F.I.R. was lodged. The Department was directed to get the accountal and consumption of material verified from other source. The para was kept pending for verification by Audit.

12.11.98: The Department explained that consumption record of material of 250 Rft. PVC pipe 8” & specials was prepared on 4-12-89 indicating that 180 Rft pipe was consumed and balance of 70 Rft. Pipe was returned to the client Department (Buildings Department). Therefore, no loss was involved. The PAC **settled the para** subject to verification of accountal of material by Audit.

21. Para II-2: Page 142 – Loss to Government due to Use of Inferior Pipe Rs.114,500

Audit had observed: “An inferior pipe involving payment of Rs.114,500 against the sanctioned superior quality was used.”

7.4.93: a) Rs.87,200

Audit agreed to the departmental version

b) Rs.27,300

The Department had obtained ex-post facto sanction of the Competent Authority. In view of the above position, **the Committee decided to settle the para.**

22. Para III-I: Page 143 – Misappropriation of Stores Rs.78,750

Audit had observed: “Pipe costing Rs.78,750 was issued from stock in August 1986 for use on a work but its receipt in the accounts of the work was not available. The pipe has apparently been misappropriated.”

7.4.93: Accountal of material valuing Rs.78,300 had been verified by Audit, **the para was settled.**

Annexure Paras

23. Para 106(4)(1983-84): Page 234 – Serial 1, Loss to Government Rs.77,355

7.4.93: The Department stated that fresh inquiry had been ordered and would be finalized within three months. The para was kept pending.

7.5.95: Audit had pointed out that government had sustained a total loss of Rs.88,353 due to the negligence of the Department in making a payment of Rs.133,859 against actual work done of Rs.65,506. In the last meeting held on 7-4-1993 the Department had stated that in the previous inquiry the officer concerned had been exonerated. However, a fresh inquiry had been ordered. Now the Department explained that the inquiry report had been submitted to the Authorized Officer i.e. the Secretary Housing & Physical Planning on 16-4-1995. The Committee took a serious notice of the fact that the fresh inquiry which was to be completed within three months had not yet been completed even after a lapse of two years. The Committee also desired to know who was responsible for non-compliance of the Public

Accounts Committee's directive dated 7-4-1993. The para was kept pending for recovery and disciplinary action.

12.11.98: The Department explained that the case regarding recovery from the contractor was under process with the Anti- Corruption Department . So far as the disciplinary action against the officer was concerned, the inquiry report had been submitted to the Administrative Secretary for final order. The PAC directed that recovery may be made and got verified by Audit. The relevant record and inquiry report in which the XEN concerned had been exonerated may also be shown to Audit for scrutiny. **The para was kept pending.**

24. Para 106(i)(1983-84): Page 234 – Serial 2, Loss to Government Rs.361,000

7.4.93: The Administrative Secretary stated that the Local Government and the Finance Departments had been written in this regard for deduction at source. After detailed examination of this matter, the Committee was of the view that recovery was a long process. However, the Department may take care itself for deduction at source in collaboration with the Finance Department. On complete realization of the amount in question, the Public Accounts Committee may be intimated. **The para was settled.**

25. Para 107(i)(1983-84): Page 234 – Serial 3, Loss to Government Rs.66,958

7.4.93: The previous Public Accounts Committee had referred this para to a Sub Committee on 28-4-1988, which could not make its report due to dissolution of the Assembly in May, 1988. For detailed Scrutiny, the Public Accounts Committee referred this matter to the following Sub Committee for report:-

- | | |
|-----------------------------------|--------|
| 1) Malik Ghulam Haider Thind, MPA | Member |
| 2) Mr. Farhat Aziz Mazari, MPA | Member |
| 3) Sh. Anwar-ul-Haq Piracha, MPA | Member |

The para was kept pending.

12.11.98: The Department explained that the balance of Rs.50,209 was referred to the D. C. Sargodha for recovery as arrears of land revenue. The D.C. could not effect recovery as the concerned contractor had died without leaving any property. The PAC directed the Department that record showing the details of material which was left by the contractor, when he abandoned the work, may be shown to Audit for verification. **The para was kept pending.**

26. Para 105(6)(1983-84): Page 234 – Serial 4, Misappropriation of Material Rs.20,205

7.4.93: The Department had shown to the Committee, the receipt and utilization of the pipe, hence the para was settled.

27. Para 105(9)(1983-84): Page 234 – Serial 5, Misappropriation of Material Rs.10,352

7.4.93: Full recovery of the amount of Rs.10,352 had been effected and verified by Audit, the para was settled.

28. Para 109(2)(1983-84): Page 234 – Serial 6, Non-accountal of Surplus Material Rs.27,865

7.4.93: Mr. Muhammad Ali, Superintending Engineer made commitment to effect recovery of balance amount of Rs.11,079 within three months. The para was kept pending.

12.11.98: The Department explained that balance recovery of Rs.11,079 had also adjusted from the bill of the contractor but due to some procedural error the said adjustment could not be finalized and the case was referred to the Director General (Accounts) Works for decision. The Director General (Accounts) Works suspended the accounts and the adjustment was kept pending till the decision in this regard. The PAC **kept the para pending** for verification of recovery by Audit.

29. Para 113(i)(1983-84): Page 234 – Serial 7, Non-recovery of Cost of Material Rs.544,167

7.4.93: Audit had verified consumption of material costing Rs.196,986 and recovery of balance Rs.399,362 was still outstanding. It was stated that Anwar-ul-Haq Ansari contractor – had fully accounted for the material for Rs.99,127.74 instead of Rs.109,120. The Committee directed that in this case the Department's version may be obtained. The other contractor Fazal Haq had gone to the Court against the actual balance recovery of Rs.124,445. The para was kept pending.

12.11.98: The Department explained that two contractors M/s. Anwarul Haq Ansari and Fazal Haque Khan Niazi were involved. A sum of Rs.99,127 was actually recoverable from Anwarul Haque Khan Ansari instead of Rs.109,120 as worked out by Audit. The contractor consumed the material valuing Rs.75,205 and balance material valuing Rs.23,939 had been received back. Thus full adjustment of material had been made and the contractor was not given any undue benefit. An amount of Rs.239,053 was recoverable from Fazal Haque Niazi contractor out of which material worth Rs.76,475 had been verified by Audit leaving a balance of Rs.162,078. The contractor had filed a civil suit and as such the matter was subjudice. The PAC directed the Department to produce the relevant record to Audit for verification within one month. **The para was kept pending.**

30. Para 107(2)(1983-84): Page 234 – Serial 8, Non-recovery of Government Dues Rs.55,728

7.4.93: Total recovery of Rs.95,692 had been effected as well as disciplinary action against the persons responsible had been verified by Audit, **the para was settled.**

31. Para 108(i)(1983-84): Page 234 – Serial 9, Shortage of Store Rs.158,200

7.4.93: The Department stated that material worth Rs.50,413 was returned to store and verified by Audit. Shortage of material worth Rs.158,200 was still outstanding and the matter was sub-judice. The Committee accordingly directed to reduce the amount of para to Rs.158,200 and the para was kept pending.

12.11.98: The Department explained that inquiry had been conducted and it was found that a Sub Engineer was responsible for misappropriation of store worth Rs.158,200. The accused Sub-Engineer filed a petition in the High Court. So the case was subjudice. The PAC directed that case may be pursued vigorously in the High Court and progress of the case be reported to PAC. **The para was kept pending.**

32. Para 114(1983-84): Page 234 – Serial 10, Shortage of Store Rs.14,023 out of Rs.44,991

7.4.93: After recovery and verification of Rs.13,968 the outstanding amount came to Rs.14,023 and the matter had also become subjudice. The next date of hearing was fixed for 24-4-1993. The para was kept pending.

12.11.98: The Department explained that recovery involved had been adjusted from the bill of the contractor but due to a procedural error the said adjustment could not be finalized and the case was referred to the Director General Accounts (Works) for decision. The Director General Accounts (Works) had suspended the accounts and the adjustment was kept pending till the decision in this regard. The PAC **kept the para pending** and directed the Department to get the relevant record verified by Audit.

33. Para 110(2)(1983-84): Page 234 – Serial 11, Non-recovery of Government Dues Rs.44,072

7.4.93: The matter was still subjudice and fixed for hearing on 21-4-93. The para was kept pending.

7.5.95: The Department explained that the latest recoverable balance was Rs.27,072. The stay order issued in favour of the contractor had been discharged and the efforts were being made to effect the recovery of the balance amount of Rs.27,072 through the District Collector Bahawalpur. The para was reduced to the balance amount of Rs.27,072 and kept pending for full recovery.

12.11.98: The Department explained that full amount had been recovered and got verified by Audit. The defaulting official had also been warned. The explanation of the Department was accepted and **the para was settled.**

34. Para 107(3)(1983-84): Page 234 – Serial 12, Non-recovery of Advance Rs.40,558

7.4.93: Mr. Muhammad Ali, Superintending Engineer made commitment to effect recovery of balance amount of Rs.13,872 from the final bill of the contractor, which was possible. The para was settled subject to verification of recovery by Audit.

12.11.98: The Department explained that the final bill was prepared and balance recovery was adjusted therefrom, but due to some procedural error the said adjustment of recovery could not be finalized. The case had been referred to the Director General (Accounts) Works for advice/decision. **The PAC settled the para** subject to verification of recovery by Audit.

35. Para 158(i)(1966-67): Page 234 – Serial 13, Shortage of Store Rs.15,621

7.4.93: Full recovery of Rs.15,621, had been effected and verified by Audit. **The para was accordingly settled.**

36. Para 19(2)(1975-76): Page 234 – Serial 14, Shortage of Store Rs.5,799

7.4.93: Full recovery had been completed and verified by Audit. **The para was settled.**

37. Para 86(1971-72): Page 234 – Serial 15, Shortage of Store of Rs.30,278

7.4.93: In the Public Accounts Committee meeting held on 12-3-1980 this para had been

settled subject to verification of record by Audit. After that no progress had been made by the Department. The Audit supported the views of the Department that it was an old case and chances of recoveries were remote. **The para was finally settled.**

38. Para 124(4)(1970-71): Page 234 – Serial 16, Shortage of Store Rs.20,454

7.4.93: An amount of Rs.4,000 had already been recovered while the balance amount of Rs.20,454 related to the cost of pump which was available with the Department. **The para was settled.**

Housing & Physical Planning Department

39. Para I-1: Page 147 – Excess Payment to a Contractor Rs.9,900

Audit had observed: “Payment for R.C.C. in core walls (which did not involve form work), was made at the rate admissible for R.C.C. involving “form work” which resulted in an overpayment of Rs.9900 to a contractor.”

5.4.93: The entire amount/overpayment made to the contractor to the tune of Rs.9,900 had been recovered by the Department and verified by Audit. **The para was settled.**

40. Para I-2: Page 147 – Excess Payment to Two Contractors Rs.22,500

Audit had observed: “Payment for dressing of earth was made in addition to the payment for preparing the earth for compaction used in embankment, which is not admissible as per Finance Department letter dated 16 March 1988. Therefore, an overpayment of Rs.22,500 was made to two contractors in March 1989.”

5.4.93: The Audit accepted the contention of the Department. **The para was settled.**

41. Para I-3: Page 148 – Excess Payment to a Contractor Rs.64,000

Audit had observed: “Payment for Sub-base and base course of a road was made at incorrect rates which resulted in an overpayment of Rs.64,000 to a contractor.”

5.4.93: The Department was directed by the Public Accounts Committee that the position of the rate analysis may be reconciled with Audit within two weeks. The para was kept pending.

7.5.95: Audit explained that the working paper in respect of the above mentioned draft para had not been given to them by the Department. The Committee directed that necessary action in this para may be finalized by Department and the working papers duly commented by Audit would be considered in the next meeting. **The para was kept pending.**

42. Para I-4: Page 148 – Excess Payment to a Contractor Rs.16,200

Audit had observed: “The quantity of bajri used in surface treatment of a road was not deducted alongwith the quantity of stone metal used in sub-base and base to arrive at the quantity of embankment by the method of measurements on cross sections which resulted in an overpayment of Rs.16,200 to a contractor.”

5.4.93: The entire amount of the para had been recovered and got verified by Audit. **The para was settled.**

43. Para I-5: Page 148-49 – Excess Payment to a Contractor Rs.78,800

Audit had observed: “Final payment for a work was made to a contractor in April 1979. In June 1979 further payment of Rs.78,800 was made on account of extra lead involved in an item of earth work for making embankment of an internal road. Extra payment was not admissible because the rate in the composite schedule of Rate 1975 for road and road structure was a complete item. Therefore, the payment of Rs.78,800 was considered as an overpayment.”

5.4.93: The departmental version was accepted by the Committee. The Department was asked to give copies of advice of the Standing Rates Committee in this matter. **The para was settled.**

44. Para I-6: Page 149 – Excess Payment to a Contractor Rs.8,785

Audit had observed: “A payment of Rs.8,785 for dressing of earth work was made in August 1987, whereas the element of dressing was already included in another item, “Regular Excavation Dressed”, and payment of Rs.63,634 for the same had been made. Thus an overpayment of Rs.8,785 was made to a contractor.”

5.4.93: The para was kept pending for recovery of the amount of Rs.8,785.

7.5.95: Audit explained that the working paper in respect of the above mentioned draft para had not been given to them by the Department. The Committee directed that necessary action in this para may be finalized by the Department and the working papers duly commented by Audit may be considered in the next meeting. **The para was kept pending.**

45. Para II-I: Page 150 – Misappropriation/Shortage of Store Rs.891,800

Audit had observed: “Stores worth Rs.891,800 were found short at the time of handing over/taking over charge by one Sub-Engineer to another in July 1987. The shortage was already in the knowledge of the Department but no action towards holding of enquiry, fixing the responsibility and effecting the recovery was taken.”

5.4.93: It was stated by the Department that inquiry under E & D Rules had been initiated against the concerned official. The book value of all the materials was Rs.15,751.68. The inquiry would be finalized within two months and whatever recovery was established would be made. On this assurance, **the para was settled.**

46. Para III-I: Page 151 – Loss to Government Rs.32,562

Audit had observed: “The expenditure of Rs.32,562 was incurred on replacement of Broken R.C.C. Covers of man-holes and removing defects in the construction of man-holes before commission of the sewerage system, which is a loss.”

5.4.93: As the entire amount of the para had been recovered, **the para was settled.**

Lahore Development Authority

47. Para I-1: Page 155 – Excess Payment to a Contractor Rs.67,200

Audit had observed: "Payment of Rs.67,200 was made to a contractor for floating coat of cement in addition to payment for cement plaster under soffit of a building. Separate payment for floating coat is not admissible. Therefore, overpayment of Rs.67,200 was made to the contractor."

13.4.93: The Administrative Secretary informed the Committee that the scheme was executed on the directive of the Chief Minister. The work was awarded to the contractors without Technical Sanction. The Chief Engineer did not approve four items which now formed the subject matter of the para. Now LDA had gone to court for recovery of overpayment from the contractor, although the Executive Engineer was at fault. The Administrative Secretary informed that inquiry would be held to fix responsibility. The para was kept pending.

7.3.95: The para was also brought before the Public Accounts Committee in April 1993 and October 1994. Both the times the Department was directed to complete the disciplinary action against the defaulter at the earliest, but the same had not yet been completed. The Public Accounts Committee showed displeasure over such state of affairs and directed the Department for disciplinary action against the officer responsible and recovery from him as per previous directives of the Public Accounts Committee. The para was kept pending.

14.5.95: The PAC showed its displeasure over the serious financial irregularities perpetrated in this para and directed the Department for disciplinary action against the defaulting officers alongwith recovery of the amount. In this para the inquiry officer had exonerated the officer responsible for payment of floating coat of cement separately was not admissible and the Chief Engineer also did not agree with separate payment. The Committee observed that the inquiry had not been conducted properly, as it appeared as if one S.E. had tried to protect his counterpart. It was directed that action should also be taken against the inquiry officer, Mr Imtiaz Abid, S.E. who conducted a fake inquiry and gave undue advantage to the defaulter. The PAC further directed that the Inquiry officer may also be included in the list of officers against whom action was required to be taken. The Secretary and Director General, LDA requested that time may be given, to enable them to make a probe in this para, and finalize action.

The Public Accounts Committee directed that action of recovery and disciplinary proceedings should, as per its previous directive, be completed within three months. **The para was kept pending.**

48. Para I-2: Page 155 – Excess Payment to a Contractor Rs.62,400

Audit had observed: "Payment was made to a contractor for providing and fixing two inches and three inches wide glass strips 5 M.M. thick at non-schedule rate of Rs.3.90 and Rs.6.00 per Rft. respectively, instead of the rates of Rs.1.22 and Rs.1.98 per Rft. provided in C.S.R, 1979. The excess rate resulted in an overpayment of Rs.62,400 to the contractor."

13.4.93: The Administrative Secretary informed the Committee that the scheme was executed on the directive of the Chief Minister. The work was awarded to the contractor without Technical Sanction. The Chief Engineer did not approve four items which now formed the subject matter of the para. Now the LDA had gone to court for recovery of overpayment from the contractor, but the fault was of the Executive Engineer, who was prima facie responsible for this matter, where malafide intention was also involved. The Administrative Secretary informed that inquiry would be held to fix responsibility. The para

was kept pending.

7.3.95: The para was also brought before the Public Accounts Committee in April 1993 and October 1994. Both the times the Department was directed to complete the disciplinary action against the defaulter at the earliest, but the same had not yet been completed. The Public Accounts Committee showed its displeasure over such state of affairs and directed the Department for disciplinary action against the officer responsible and recovery from him as per previous directives of the Public Accounts Committee. The para was kept pending.

14.5.95: The PAC showed its displeasure over the serious financial irregularities perpetrated in this para and directed the Department for disciplinary action against the defaulting officers alongwith recovery of the amount. In this para the inquiry officer had exonerated the officer responsible for payment of floating coat of cement separately was not admissible and the Chief Engineer also did not agree with separate payment. The Committee observed that the inquiry had not been conducted properly, as it appeared as if one S.E. had tried to protect his counterpart. It was directed that action should also be taken against the inquiry officer, Mr Imtiaz Abid, S.E. who conducted a fake inquiry and gave undue advantage to the defaulter. The PAC further directed that the Inquiry officer may also be included in the list of officers against whom action was required to be taken. The Secretary and Director General, LDA requested that time may be given, to enable them to make a probe in this para, and finalize action.

The Public Accounts Committee directed that action of recovery and disciplinary proceedings should, as per its previous directive, be completed within three months. **The para was kept pending.**

49. Para I-3: Page 155-156 – Excess Payment to Contractor Rs.56,800

Audit had observed: “Payment was made to a contractor for two inches thick mosaic flooring at the rate of Rs.650.75% sft. instead of the admissible rate of Rs.556.25% sft. This resulted in an overpayment of Rs.56,800 to the contractor.”

13.4.93: The Administrative Secretary informed the Committee that the scheme was executed on the directive of the Chief Minister. The work was awarded to the contractor without Technical Sanction. The Chief Engineer did not approve four items which now formed the subject matter of the para. Now LDA had gone to the court for recovery of overpayment from the contractor, but the fault was of the Executive Engineer, who was prima facie responsible for this matter, where as malafide intention was also involved. The Administrative Secretary informed that inquiry would be held to fix responsibility. The para was kept pending.

7.3.95: The para was also brought before the Public Accounts Committee in April 1993 and October 1994. Both the times the Department was directed to complete the disciplinary action against the defaulter at the earliest, but the same had not yet been completed. The Public Accounts Committee showed displeasure over such state of affairs and directed the Department for disciplinary action against the officer responsible and recovery from him as per previous directives of the Public Accounts Committee. The para was kept pending.

14.5.95: The PAC showed its displeasure over the serious financial irregularities perpetrated in this para and directed the Department for disciplinary action against the defaulting officers alongwith recovery of the amount. In this para the inquiry officer had exonerated the officer responsible for payment of floating coat of cement separately was not

admissible and the Chief Engineer also did not agree with separate payment. The Committee observed that the inquiry had not been conducted properly, as it appeared as if one S.E. had tried to protect his counterpart. It was directed that action should also be taken against the inquiry officer, Mr Imtiaz Abid, S.E. who conducted a fake inquiry and gave undue advantage to the defaulter. The PAC further directed that the Inquiry officer may also be included in the list of officers against whom action was required to be taken. The Secretary and Director General, LDA requested that time may be given, to enable them to make a probe in this para, and finalize action.

The Public Accounts Committee directed that action of recovery and disciplinary proceedings should, as per its previous directive, be completed within three months. **The para was kept pending.**

50. Para I-4: Page 156 – Excess Payment to a Contractor Rs.22,816

Audit had observed: “Payment was made to a contractor for “nicking of cement concrete new surface” before plastering under soffit (ceiling). The rate for preparation of surface of a new soffit (ceiling) is included in the rate of plaster. The payment for nicking the surface of soffit, resulted in an overpayment of Rs. 22,816 to the contractor.”

13.4.93: The Administrative secretary informed the Committee that the scheme was executed on the directive of the Chief Minister. The work was awarded to the contractor without Technical Sanction. The Chief Engineer did not approve four items which now formed the subject matter of the para. Now LDA had gone to the court for recovery of overpayment from the contractor, but the fault was of the Executive Engineer, who was prima facie responsible for this matter, where as malafide intention was also involved. The Administrative Secretary informed that inquiry would be held to fix responsibility. The para was kept pending.

7.3.95: The para was also brought before the Public Accounts Committee in April 1993 and October 1994. Both the times the Department was directed to complete the disciplinary action against the defaulter at the earliest, but the same had not yet been completed. The Public Accounts Committee showed displeasure over such state of affairs and directed the Department for disciplinary action against the officer responsible and recovery from him as per previous directives of the Public Accounts Committee. The para was kept pending.

14.5.95: The PAC showed its displeasure over the serious financial irregularities perpetrated in this para and directed the Department for disciplinary action against the defaulting officers alongwith recovery of the amount. In this para the inquiry officer had exonerated the officer responsible for payment of floating coat of cement separately was not admissible and the Chief Engineer also did not agree with separate payment. The Committee observed that the inquiry had not been conducted properly, as it appeared as if one S.E. had tried to protect his counterpart. It was directed that action should also be taken against the inquiry officer, Mr Imtiaz Abid, S.E. who conducted a fake inquiry and gave undue advantage to the defaulter. The PAC further directed that the Inquiry officer may also be included in the list of officers against whom action was required to be taken. The Secretary and Director General, LDA requested that time may be given, to enable them to make a probe in this para, and finalize action.

The Public Accounts Committee directed that action of recovery and disciplinary proceedings should, as per its previous directive, be completed within three months. **The para was kept pending.**

51. Para I-5: Page 156 – Excess Payment to a Contractor Rs.109,051

Audit had observed: “An excess payment of Rs.109,051 was made to a contractor on account of an item of earthwork which was neither provided in the DNIT/Agreements nor in the approved cross-section/levels & lead chart.”

13.4.93: Audit conceded that the departmental version was justified. **The para was settled.**

52. Para I-6: Page 157 – Excess Payment to a Contractor Rs.98,716

Audit had observed: “An excess payment of Rs.98,716 was made to a contractor, due to extra item of work for making the floors non-slippery, in addition to the complete and finished item rate for grit flooring.”

13.4.93: Subject to verification by Audit of the rate analysis, the para was settled.

7.3.95: The Public Accounts Committee directed the Department to produce the relevant record to Audit for verification. The para was kept pending.

14.5.95: Audit did not agree with the double payment made by the Department for labour work. In compliance with Audit’s objection, the Department effected recovery of Rs.98,916 from the contractor. Subject to verification by Audit of recovery, **the para was settled.**

53. Para I-7: Page 157 – Excess Payment to Contractor Rs.78,056

Audit had observed: “An excess payment of Rs.78,056 was made to a contractor, due to allowing higher non-schedule rates by duplication of items in the analysis.”

13.4.93: This para being duplicate of Draft Para No.1-4(123)/1986-87, was dropped, and **thus settled.**

54. Para I-8: Page 157 – Excess Payment to a Contractor Rs.23,823

Audit had observed: “An excess payment of Rs.23,823 was made to a contractor by recording entries of cement concrete 1:6:12 with excessive thickness than that admissible under the approved design and estimate.”

13.4.93: The Committee was informed that deviation from the scope of work had been subsequently regularized by the Competent Authority. **The para was settled accordingly.**

55. Para 1-9: Page 157-58 – Excess Payment to a Contractor Rs.11,699

Audit had observed: “A contractor was allowed payments for providing of “G.I Specials” as a separate item whereas, according to C.S.R. 1979, cost of pipes includes cost of “specials” as well. As such payments made for “specials” as a separate item was not justified. Therefore, an excess payment of Rs.11,699 was made.”

13.4.93: As the recovery of Rs.11,700 had been verified by Audit, **the para was settled.**

56. Para II-1: Page 159 – Non-recovery of Government Dues Rs.412,463

Audit had observed: “Overpayment amounting to Rs.412,463 was made to a contractor for

carriage of cement which according to terms and conditions of the agreement was not admissible and as such it resulted in a loss to the Authority.”

13.4.93: Recovery having been effected and verified by Audit, **the para was settled.**

57. Para III-1: Page 160 – Loss to Government Rs.543,691

Audit had observed: “Quantity in bitumen drums issued to a contractor for utilization at site of work, was found short one third of the drum against which a complaint was lodged by the contractor with the Authority. The shortage so reported resulted in a loss of Rs.543,691.”

13.4.93: The Department contended that after re-checking of the bitumen account it was found that there was no shortage and they were prepared to show the relevant record to Audit. The Committee directed the Department to produce the relevant record to Audit for verification. The para was kept pending for verification and comments by Audit.

7.3.95: The departmental representative tried his level best to convince the Public Accounts Committee that no shortage was detected in the government stores. The Public Accounts Committee was of the opinion that the contractors claim for short quantity, in no case should have been accepted by the Department as once the bitumen was issued to the contractor from the store and he accepted the same then the Department was not responsible for any alleged shortage. Therefore, the acceptance of the claim of the contractor for short quantity was quite against the rules and regulations. It was also brought to the notice of the Committee that from the same store, bitumen was issued to another contractor but he made no complaint of short supply. The case of misappropriation of government stores was pending in the court of Senior Special Judge Anti Corruption Punjab and necessary record was with the Court. The Committee directed that Court may be requested to supply the photo copies of the said record and same may be made available to the Public Accounts Committee.

The case being subjudice was kept pending. Meanwhile the Public Accounts Committee directed the sub-committee No.4 consisting of:-

- | | |
|-----------------------------|----------|
| 1. Raja Riaz Ahmed, MPA | Convener |
| 2. Mian Imran Masood, MPA | Member |
| 3. Syed Zafar Ali Shah, MPA | Member |

to re-examine the para and submit its report to the Public Accounts Committee.

14.5.95: Report of the Sub-Committee No.4 for examining the case was still awaited. **The para was kept pending.**

17.8.95: The Public Accounts Committee gone through the record of the Department pertaining to this para which revealed that the drums of short bitumen were replaced. The Assistant Director Roads (LDA), recorded his remarks that the contractor had replaced the drums of short bitumen and that he had no complaint.

The Department contended that drums of short bitumen were not replaced by the Department instead it was done by the contractor himself. As such there was no loss to the Government.

The Public Accounts Committee, after a detailed deliberation, concluded that an element of mystery was there. Anyhow, from the record and hearing the explanation of the Department, it appeared that prima facie there was no loss to the Government. However, the Department was directed that a fool-proof system should be evolved to minimize the element

of doubt so as to safeguard the interest of the Government. **The para was recommended for settlement.**

Annexure Paras

58. Para 110 (1)(1982-83): Page 235 – Serial 1, Overpayment to Contractor Rs.602,300

13.4.93: The Department informed the Committee that recovery of Rs.1,244,710 had been effected from MCP. Subject to verification of recovery by Audit the para was settled.

7.3.95: The Department explained that the Liquidator in case of M.C.P. has declared award amounting to Rs.1,209,156.86 in favour of Lahore Development Authority. **The para was settled.**

59. Para 110 (2)(1982-83): Page 235 – Serial 2, Overpayment to Contractor Rs.390,600

13.4.93: Audit admitted that the case had been based on misunderstanding and the point of view of the Department was correct. **The para was settled.**

60. Para 119 (4)(1982-83): Page 235 – Serial 3, Overpayment to Contractor Rs.126,475

13.4.93: The Department explained that excess payment was made during the tenure of Ch. Bashir Ahmed and Mr. Riaz Ahmad Malik, the then Land Acquisition Collectors. Draft charge-sheet against the officers concerned had been submitted to the Board of Revenue. The para was kept pending.

7.3.95: The Department explained that excess payment was made during the tenure of Ch. Bashir Ahmed and Mr. Riaz Ahmed Malik, the then Land Acquisition Collectors. The draft charge sheet against the officers/statement of allegations had been furnished to the Board of Revenue/SGA&ID for necessary action. Till the finalization of disciplinary action, the para was kept pending.

14.5.95: The Department explained that Member Board of Revenue (Revenue) and the Secretary (Services), to whom draft charge-sheets were forwarded for disciplinary action against Ch. Bashir Ahmed and Mr. Riaz Ahmed Malik, the then Land Acquisition Collectors, had made no response despite reminders. The Committee directed that the Administrative Secretary and the Director General should approach the Chief Secretary, ACS and the Member Board of Revenue (Revenue), for expediting action against the said officers and submit its report to the Public Accounts Committee within three months. **The para was kept pending.** The Public Accounts Committee Secretariat would also write to the Member Board of Revenue & Secretary (Services) in this matter.

61. Para 114 (2)(1982-83): Page 235 – Serial 4, Non-recovery of Cost of Material Rs.15,695

13.4.93: The discrepancy regarding the quantity of bitumen between Audit and the Department had been reconciled. Also, recovery of Rs.3,182 had been verified by Audit. **The para was settled.**

62. Para 99(1983-84): Page 235 – Serial 5, Unauthorised Withdrawl of Pay Rs.36,528

13.4.93: The Department explained that the payment was genuine and the procedural irregularities had been got regularized by the Competent Authority. **The para was settled.**

63. Para 95(4)(1983-84): Page 235 – Serial 6, Overpayment Rs.69,602

13.4.93: As directed by the Public Accounts Committee on 22-2-1988, the Department had recently submitted the requisite report to it. The Department conceded that Audit's objection was valid and action would be taken as per decision of the court. Audit was requested to examine the report submitted by the Department and give its comments to the Public Accounts Committee. The para was kept pending.

7.3.95: The Department explained that a minus bill of Rs.69,602 was prepared against the contractor who went into the arbitration. The arbitration announced an award of Rs.544,156 in favour of the contractor. The Department after losing its case in the High Court and Supreme Court made the payment of Rs.544,156. Besides, an Inquiry was also conducted against the officer who was held responsible for the mess, but he got a stay order from the High Court. The Public Accounts Committee directed the Department that the original record alongwith inquiry report in support of its contention may be shown to the Public Accounts Committee & Audit for verification. The Public Accounts Committee would then give suitable directions after going through the record. The para was kept pending.

14.5.95: In this case the final bill of the contractor turned into a minus amount of Rs.69,602 and when asked to refund the amount, the contractor went into arbitration and an award of Rs.544,156 was announced in his favour and was confirmed by the Supreme Court. The Committee wondered as to how a minus bill was converted into a claim of such magnitude. The Committee directed that the break-up of Rs.544,156 alongwith copies of the inquiry of the award, the petition through which the award was challenged and decision of the Supreme Court be provided to the Public Accounts Committee. The Administrative Secretary and Director General, Lahore Development Authority, may personally collect original photocopies of the record and probe into the matter, and submit report to the Public Accounts Committee, alongwith its report on Draft Paras No.I-1,I-2, I-3 and I-4 relating to Lahore Development Authority. **The para was kept pending.**

Performance Audit Report

64. Chapter-I: Page 171 to 184 – Construction of Drain for Laxmi Chowk (LHR) and Contiguous Areas

13.4.93: The item was kept pending.

65. Chapter-II: Page 185 to 226 – Construction of Overhead Bridge at Data Nagar Level Crossing Lahore

13.4.93: Audit brought to the notice of the Committee that the work of Data Nagar

Overhead Bridge was allotted without any Administrative Approval and Technical Sanction of the Competent Authority. The work remained suspended for about 1-1/2 year. When clearance from the Government was obtained, the work was re-started and the Authority had to pay a sum of Rs.1,862,480 on account of escalation to the contractor. The LDA had to bear loss due to inefficiency and negligence of the officers, improper planning and faulty execution. This para was linked up with performance Audit Report.

The Department explained that the case pertained to the Martial Law period and the work was done under the orders of the MLA. If the mistake was committed at the higher level then only the Executive Engineer or the Sub Divisional Officer should not be penalized. If the responsibility had to be fixed then other Departments involved in the work should also be taken into account. It was, however, stated that the case was under arbitration. Audit opined that secured advance and mobilization advance without interest was given in violation of Financial Rules.

The Committee observed that this para and the performance Audit Report may be kept pending for study as the working paper was supplied to the Members just before the meeting. **The para was kept pending.**

Multan Development Authority

66. Para I-1: Page 163 – Excess Payment to a Contractor Rs.329,963

Audit had observed: “An amount of Rs. 329,963 was paid to the contractor on account of 8% extra premium on all items (Schedule and Non-schedule) in addition to 15% premium quoted by the contractor on scheduled items.”

5.4.93: Audit conceded to the point of view of the Department that the payment made to the contractor was according to the prevailing market rates and within the premium limit of 15 percent. The explanation of the Department was accepted and **the para was settled.**

67. Para II-1 (i): Page 164 – Non-recovery of Government Dues Rs.3,493,494

Audit had observed: “Secured advance of Rs.3,493,494 was paid to a contractor in August 1985. In October 1987, when accounts of the contractor were finalized and his security was released, a sum of Rs.740,346 was recoverable on account of Secured Advance. Whereabouts of the material are not known.”

5.4.93: The item relating to the recovery of Rs.7,40,346 which had been effected **was settled.**

68. Para II-1 (ii): Page 164 – Non-recovery of Government Dues Rs.1,508,707

Audit had observed: “Secured Advance of Rs.1,508,707 paid to a contractor in November 1986, was not recovered upto February 1988. The material was neither consumed in the work nor it was taken on materials at site accounts. In spite of the fact that the contractor had abandoned the work due to stay order by the court.”

5.4.93: The item relating to the recovery of Rs.1,508,707 being subjudice was kept pending.

12.11.98: The Department explained that matter was still subjudice.

The PAC directed the Department to pursue the case in court vigorously and **the para was kept pending** for the decision of court.

69. Para II-2: Page 164-165 – Non-recovery of Government Dues Rs.72,858

Audit had observed: “An amount of Rs.335,818 was paid to a contractor on account of escalation on the material. The contractor abandoned the work and failed to utilize the material costing Rs.643,626 on which he had already received escalation of Rs.72,858. The said recovery of Rs.72,858 on unused material, was not effected from the contractor.”

5.4.93: The case being subjudice was kept pending.

12.11.98: The Department explained that excess paid amount was Rs.68,238 instead of Rs.72,858 as recorded by Audit. The said amount of Rs.68,238 had been recovered from the contractor and got verified by Audit. The Public Accounts Committee **settled the para** subject to disciplinary action against the officer/official responsible for excess payment due to negligence in watching the Government interest. Disciplinary action may be completed within two months under intimation to the Public Accounts Committee.

70. Para II-3: Page 165 – Non-recovery of Government Dues Rs.172,438

Audit had observed: “Hire charges of machinery amounting to Rs.172,438 were not recovered from certain contractors which resulted in a loss to the Authority.”

5.4.93: The Department explained that an amount of Rs.150,146 on account of hire charges of the Government Machinery had been recovered and got verified. For the balance amount strenuous efforts were being made by the Department. The para was kept pending.

12.11.98: The Department explained that total recovery of Rs.172,438 had been effected and verified by Audit. The PAC accepted the explanation and **the para was settled.**

71. Para II-4: Page 165 – Non-recovery of Government Dues Rs.36,149

Audit had observed: “Irregular payment of Rs.36,149 was made to a contractor on account of cleaning of sewer lines and manholes which was to be carried out by the departmental labour and machinery.”

5.4.93: The Department explained that as the machinery and cleaning equipments were not available with the Department therefore, the work was carried out by the contractor in the best interest of the public and no irregular payment was involved. The explanation of the Department was accepted and **the para was settled.**

72. Para II-5: Page 165 – Non-recovery of Government Dues Rs.273,885

Audit had observed: “Bitumen worth Rs.273,885 was issued to various contractors without effecting any recovery resulting in loss to the Agency.”

5.4.93: The departmental representative stated that total recovery to the tune of Rs.273,884 had been effected from the contractors which would be got verified by Audit. The para was settled subject to verification by Audit.

12.11.98: The Department explained that all the recoverable amount had been made good from the contractor and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

Faisalabad Development Authority

73. Para I-1: Page 169 – Non-recovery of Government Dues Rs.344,186

Audit had observed: “Machinery was hired out to a contractor from April 1987 to December 1987 but hire charges amounting to Rs.344,186 were not recovered from him.”

5.4.93: The recovery of the total amount of Rs.344,186 had been effected from the contractor and got verified by Audit. **The para was settled.**

74. Para I-2: Page 169 – Non-recovery of Government Dues Rs.13,375,892

Audit had observed: “Rs.13,375,892 were not recovered from the allottees on account of the cost of Flats/Plots allotted to them.”

5.4.93: The Department stated that efforts were being made for the recovery of the latest balance of Rs.191,192. The para was settled subject to verification by Audit.

7.3.95: The Department explained that further recoveries of Rs.87,720 had been made. So far as balance amount of Rs.103,472 was concerned, the allotment of plots to the defaulters had been cancelled. The Public Accounts Committee directed that an official from the Department may be deputed who would produce the necessary record of recoveries to Audit for verification at Faisalabad. **The para was kept pending.**

Annexure Paras

75. Para 26(1982-83): Page 235 – Serial 7, Loss to Government Rs.35,598,731

5.4.93: The Department stated that the Chief Minister, Punjab, had written to the Prime Minister, Pakistan to waive off the interest due from the allottees, as per his public announcement. The directive on the subject matter issued by the Prime Minister was being examined in the Finance division. The matter of payment of interest was also under litigation between the House Building Finance Corporation and the Punjab Government. The Public Accounts Committee observed that the matter had gone upto the Prime Minister’s level and was being duly attended to. **The para was settled.**

76. Para 27(1982-83): Page 235 – Serial 8, Excess Payment Rs.3,076,925

5.4.93: The Department stated that an amount of Rs.95,613.18 had been recovered from the contractor and got verified by Audit. It was also stated that the Finance Department had agreed to condone the excess payment of Rs.2,981,310. **The para was settled.**

Industries and Mineral Development Department

Overview

Total Paras	Civil	Commercial
30	3	27

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 14	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Commercial: 3(xi), 3(xii), 3(xiii), 3(xiv), 3(xx), 3(xxi), 3(xxii), 3(xxiv), 165, 166, 167, 168, 169, 170.	14
Paras Finally Settled 8	Paras finally settled as the requisite action had been taken.	Commercial: 3(xv), 3(xvi), 3(xxiii), 32, 33, 161, 162, 164	8
Para Conditionally Settled 1	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.	Commercial: 163	1
Paras Pended 7	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Civil: Annexure Paras: 44, 83, 8	3
		Commercial: 30, 31, 34, 35	4

**Discussed on 24 January, 22 March, 28 December 1995,
30 January 1996 and 30 May 2002**

(Commercial Audit)

1. Para 3(xi): Page 6 – Punjab Government Press Bahawalpur

30-5-02: The para pertained to the non-compilation/non-submission of accounts by this organisation.

2. Para 3(xii): Page 5 & 6 – Non-compilation of Commercial Accounts of Printing and Stationery Department

24.1.95: The Department explained that the Commercial Accounts of Punjab Government Press, Lahore for 1983-84 to 1988-89 were got prepared and submitted to the Director Commercial Audit, Lahore for certification. But these accounts were returned with the remarks that the same may be resubmitted after certification by a Chartered Accountant. The Department contended that Printing and Stationery Department was a Government Organization and directly controlled by the Finance Department and its accounts had never in the past been got certified by a Chartered Accountant. The Committee directed that there was no need of Audit by a Chartered Accountant and the same should be Audited by the Director General, Commercial Audit.

22.3.95: The Department was directed to produce all record to Audit. **The para was kept pending** for record verification.

30-5-02: The Committee noted the para.

3. Para 3(xiii): Page 6 –Provincial Stationery Office Lahore Para 3(xiv): Page 6 – Provincial Stationery Office Bahawalpur

30-5-02: The paras pertained to the non-compilation/non-submission of accounts by these organisations.

4. Para 3 (xv): Page 6 – Government Weaving & Finishing Centre, Shahdara, Lahore

28.12.95: The Department explained that the accounts of the Centre for the year 1987-88 had already been included/printed in the Audit Report for the year 1991-92. The accounts of the Centre for the year 1988-89 had also been included in the Audit Report 1993-94. The explanation of the Department was accepted and **the para was settled.**

5. Para 3 (xvi): Page 7 – Government Wool Spinning and Weaving/Training Centre, Jhang

28.12.95: The Department explained that accounts for the year 1987-88 and 1988-89 had been included/printed in the Audit Report for the year 1990-91 and 1991-92. The explanation of the Department was accepted and **the para was settled.**

6. Para 3(xx): Page 7 – Punjab Industrial Development Board
Para 3(xxi): Page 7 – Kamalia Sugar Mills
Para 3(xxii): Page 7 – Pattoki Sugar Mills

30-5-02: The paras pertained to the non-compilation/non-submission of accounts by these organisations.

7. Para 3 (xxiii): Page 7 – Non-compilation of Accounts

22.3.95: The Audit Department stated that the Audited Accounts of Punjab Mineral Development Corporation had been submitted. **The para was settled.**

8. Para 3(xxiv): Page 7 – Punjab Small Industries Corporation Lahore

30-5-02: The para pertained to the non-compilation/non-submission of accounts by this organisation.

9. Para 30: Page 36 – Fraudulent Posting of Issue of Paper Valuing Rs.1,276,963

Audit had observed: “Suspecting shortages in stock of the Punjab Government Press, Lahore, the physical verification of stores was conducted in September 1984 and huge shortages were reported. The report against ex-store keeper was lodged with the Anti-corruption department and the departmental enquiry also initiated Audit would suggest to:-

i) initiate action on the reports of the enquiry officer and of the Anti-Corruption Department;

ii) investigate into the incorrect posting highlighted in the Audit Inspection Report dated 10.9.1986; and

iii) remove the procedural deficiencies pointed out above.”

24.1.95: Audit pointed out that the irregularities/shortages were brought to the notice of the Department in 1985 and the Department did not take any action. Latter on, allegedly, the record was destroyed due to fire in 1989. It was explained by the Department that record had been recasted and same cost was checked by Audit. Audit was of the view that fire was a deliberate action to conceal the financial irregularities and even the recasted record was not produced to Audit for scrutiny. The Committee directed that record may be produced to Audit. The Department should also explain that why any action was not taken from 1985, when Audit highlighted the irregularity, to 1989 and 1989 to 1995. The para was kept pending.

22.3.95: As per previous directive of the Public Accounts Committee-II dated 24-1-1995, the Committee again directed the Department to produce the re-constituted record to Audit for verification. The para was kept pending.

28.12.95: The Department explained that accounts had been reconstituted on the basis of original stock taking lists. The said record would be provided to Audit. The Department was directed to produce the record for scrutiny to Audit, within one month. **The para was kept pending.**

10. Para 31: Page 38 – Shortages of Stores, Dead Stock and Petty Plant Articles Valuing Rs.0.328 Million

Audit had observed: “As a result of physical stock taking of type metal (lead and other dead stock items for the five yearly periods 1969-70 to 1973-74 and 1974-75 to 1978-79 shortages/pilferage of dead stock items worth Rs.146,552 and Rs.86,364 were detected by the Management of the Punjab Printing Press in December 1974 and September 1984 respectively Audit would suggest to:-

- i) intimate the circumstances under which the recovery order for the amount of Rs.5,103 could not be issued so far against the defaulters;
- ii) finalise the enquiry for the shortages of Rs.278,734 detected during annual stock taking carried out for the years 1976-77 to 1982-83; and
- iii) Recover the losses from the person (s) held responsible for the same; and
- iv) Adopt remedial measures to avoid recurrence of such losses in future.”

24.1.95: The Committee was informed that the case was subjudice and the next date of hearing had been fixed for 19-2-1995. The para was kept pending.

22.3.95: The Department was directed to intimate amount-wise position to Audit and try at personal level to get an early decision from the Court. The para was kept pending.

28.12.95: The Department explained that a write off case for the shortage of Rs.10,798 would be initiated soon. The case for the shortage of Rs.38,970 was against the store keeper who had already been acquitted from court and therefore, the amount would be got written off. The shortage for the year 1979-80 to 1982-83 was actually Rs.154,684 and not Rs.278,734 as worked out by Audit. The case was subjudice in the court of Special Judge, Anti-Corruption. New date of hearing was 2-1-96. The Department was directed to finalize the write off cases and pursue the case in court for early decision. **The para was kept pending.**

11. Para 32: Page 39 – Wasteful Expenditure of Rs.3.04 Million in the Implementation of Scheme

Audit had observed: “PSIC started a “Turn Key projects” Scheme in May 1985, the estimated cost of which as per PC-I was Rs.8.611 million, and it was to be completed upto June 1988. Its objectives were to set up small industrial units in the province of Punjab for and on behalf of overseas Pakistanis on fee basis. The scheme had been prepared after visits of two delegations of PSIC to Gulf areas, Saudi Arabia, Iraq and later on West Germany and U.K. in 1979 for the preparation of feasibility report. A sum of Rs.107,747 was incurred by PSIC on the tours of the delegations. The scheme proved a failure as not a single unit could be set up upto 30 June 1987, when it was abandoned after incurring wasteful expenditure of Rs.3.04 million (Revenue) expenditure of Rs.2,498,000 and capital expenditure of Rs.542,000. The expenditure incurred on the tours of delegations was in addition to above expenditure Audit would, therefore, suggest an investigation into the circumstances which led to this wasteful expenditure, and suitable action against the person/persons found at fault.”

24.1.95: It was observed that a scheme named Turn Key Projects was started in May 1985

according to which Small Industrial Units were to be established in Punjab, for and on behalf of over-seas Pakistanis. But, according to Audit that project was abandoned and no units were established resulting in wasteful expenditure of Rs.3.04 million. The Department stated that project was not abandoned and it was merged with the Credit and Development Wing Scheme and many units had been completed. The Committee inquired about the number of units so far completed, but the Department could not explain the position.

The Committee directed that the break-up of the expenditure of Rs.3.04 million may be given. The list of projects installed under this project after merger be also given. Moreover the Department should substantiate with facts and figures that there had been no wasteful expenditure. A complete report be submitted within one month. The para was kept pending.

22.3.95: The Department explained that under direction of the Public Accounts Committee-II contained in the minutes of the meeting dated 16-2-1995 the case was still under process. The para was kept pending for the next meeting.

28.12.95: The explanation of the Department was accepted and **the para was settled.**

12. Para 33: Page 40 – Loss of Rs.74,456 due to Shortage of Handicrafts

Audit had observed: “As a result of physical stock taking of a handicraft shop of the Punjab Small Industries Corporation carried out by the Management during 1986-87, shortages and excesses to the extent of Rs.74,456 and Rs.65,890 respectively were detected Audit would suggest to:-

- i) finalize the investigation expeditiously and recover the entire amount of shortages;
- ii) take on charge the excesses; and
- iii) fix responsibility on the person/persons who made the adjustment of excesses against the shortages in contrary to the General Accounting Principles.”

24.1.95: The Department explained that the shortages had been adjusted against the excess and only the difference between excesses and shortages of Rs.8,560 had been recovered from the official concerned and the above adjustment was carried out as per decision of the Board. Explanation of the Department was accepted and **the para was settled.**

13. Para 34: Page 41 – Loss of Rs.1,102,111 due to Undue Favour and Excess Payment to a Contractor

Audit had observed: “Punjab Small Industries Corporation invited tenders on 8.7.1984 for construction of roads and storm water drains in S.I.E. Faisalabad for an estimated cost of Rs.10,246,971 as against the approved cost of Rs.8,668,300 as per P.C.I. The contract was awarded on 9.8.1984 for Rs.10,185,574 to the lowest bidder and the contractor was allowed to start the work Audit would suggest to investigate the matter with a view to fix individual responsibility:-

- i) for issuing the tender for a higher estimated cost than that approved in the P. C.I. and subsequent award of the contract;
- ii) for not preparing revised B.O.Q and for deleting certain items of work and later on adding other items of work;

iii) to recover the overpayment made to the contractor; and

iv) to recover loss from the persons responsible for extending undue favour to the contractor by amending the contract resulting in rates which turned out to be higher than those quoted by other.”

24.1.95: The work of construction of roads and flood water drainage in Faisalabad was awarded to a contractor for Rs.10,185,574 on 9-8-1984. On 25-3-1985 the estimate was revised by deleting some items of work/material and by adding some other items of work. The completion date of work was also extended time and again. This state of affairs was viewed as undue favour to a contractor by the Public Accounts Committee. The Committee declared that malafide intention was there and therefore, it was decided that the matter may be assigned to the Director General, Audit (Works) for detailed Audit, within two months. The Assembly Secretariat was directed to address a letter to the Director General, Audit (Works) to conduct a detailed Audit of the para. A copy of the said letter should also go to the Managing Director, Punjab Small Industries Corporation for presentation of the entire record as and when demanded by Audit. The para was kept pending.

22.3.95: The Audit Department stated that the matter was under action by the Director General (Works Audit), Lahore. The para was kept pending.

28.12.95: The Public Accounts Committee was apprised that a special Audit Report had been prepared by the Director General Audit (Works) as per directive of the PAC dated 24-1-1995. Therefore, the para alongwith the special Audit Report would be considered in the next meeting in the presence of the Director General, Audit (Works). The para was kept pending.

30.1.96: This para had been referred by the PAC-II to the Director General, Audit (Works) for detailed Audit. The detailed Audit Report consisted of the following paragraphs:-

- 1.1) Loss of Rs.906,774 due to malafide revision of work.
- 1.2) Excess payment of Rs.159,312 due to excess measured earth filling.
- 1.3) Excess payment of Rs.184,458 due to excess measurement of sand.
- 1.4) Superfluous payment of Rs.84,097 due to prime cost of bitumen under T & T.
- 1.5) Excess payment of Rs.161,765 due to rich specification of bitumen.
- 1.6) Excess payment of Rs.24,659 due to not using scarified material and available earth.
- 1.7) Excess payment of Rs.10,728 due to rich specification of M.S. Bars and excess measurement of sub-base and base course.
- 1.8) Wasteful expenditure of Rs.9,011.84 due to leaving a culvert incomplete.
- 1.9) Irregular payment of Rs.203,711 due to execution of work in excess of agreement.
- 1.10) Un-authorized expenditure of Rs.8,872,011 for lack of administrative approval.
- 1.11) Non-imposition of penalty amounting to Rs.433,415.
- 1.12) Excess payment of Rs.83,977 for non-execution of T & T. Triple Surface Treatment.

Para 1.1 Loss of Rs.906,774

The Administrative Secretary admitted that prime-facie, Audit observation was correct, as revision of estimates after awarding the work to the lowest bidder by adding items for which rates were high and deleting items for which the rates were low, was mala-fide. The Committee directed that an inquiry be held to fix responsibility for the loss of Rs.906,774 and

the amount be recovered accordingly from the officers held responsible for this irregularity.

Para 1.2 to Para 1.12

The Committee directed that the Administrative Secretary should himself look into these paras and if the amounts of these paras were in addition to the amount covered in Para 1.1, then inquiry be also held in these cases for fixing responsibility and making recovery. **The main para was accordingly kept pending.**

Punjab Industrial Development Board

14. Para 35: Page 43 – Loss of Rs.9.123 Million on the Purchase of Cotton

Audit had observed: “Punjab Industrial Development Board, Lahore entered into contracts with various parties during May 1984 to September 1984 for the supply of 18,432 cotton bales valuing Rs.67,609,210 to Ghazi Textile Mills during the crop season November 1984 to February 1985 at the average rate of Rs.910 per maund. Ghazi Textile Mills had usually been buying cotton on day to day basis to avoid heavy losses at the end of the year but the Mills authorities however, changed their policy and the contracts were executed at peak price period. i.e. June and July 1984 with deliveries at later dates spread over eleven months. The market trend naturally became favourable in December 1984 to February 1985 when the prices fell down by Rs.360 per maund due to new cotton coming in the market. Moreover, the rates paid were much higher as compared to other mills viz. Haripur Textile Mills and Punjab Textile Mills which ranged between Rs.470 to 550 in November 1984. The Board thus sustained a loss of Rs.9.123 million due to imprudent purchase policy. The Deputy General Manager, (Audit PIDB also probed into the matter and confirmed the amount of loss by Ghazi Textile Mills Audit would suggest to:-

- i) institute an inquiry in the matter;
- ii) fix responsibility for heavy losses; and
- iii) recover the amount of loss from the officials at fault.”

24.1.95: The Public Accounts Committee was informed that Punjab Industrial Development Board purchased cotton at higher rates from the Ghazi Textile Mills as compared to other textile units which resulted in a loss to Board amounting to Rs.9.123 Million. The Committee was of the view that it was due to lack of planning as the supply contracts were executed at the time when cotton season was at the peak while the same should had been done at the start of the season. The Department explained that two enquiries were conducted and as a result no loss was established. The Committee was not satisfied with the explanation of the Department and directed to produce within a week the inquiry reports conducted by the General Manager (Textile) and General Manager (Finance) to the Sub Committee comprising of (1) Mian Manazir Ali Ranjha, MPA and Ch. Muhammad Riaz, MPA for detailed scrutiny. The para was kept pending.

22.3.95: This para had already been referred to the Sub Committee whose meeting had been fixed for 6-4-1995. The para was kept pending.

28.12.95: The para had already been referred to the Sub Committee No.3 for thorough

probe and report of which was awaited. **The para was kept pending.**

15. Para 161: Page 313 – Pattoki Sugar Mills Limited Working Results

With reference to the working results, Audit had suggested: “while reasons for decline in average recovery need to be investigated, it is also imperative that continued efforts are made to maintain the favourable results.”

24.1.95: Explanation of the Department was accepted and **the para was settled.**

16. Para 162: Page 314 – Increase in Debt Balances from 115.601 Million to 190.015 Million

Audit had observed: “The Company has resorted to borrowing from Commercial Banks to meet its working capital requirements. At the same time heavy amount of capital was locked up in stores and spares, stock in Trade, Advances, prepayments & Cash/Bank Balances which rose from Rs.115.601 million in 1986-87 to 190.015 million in 1987-88 showing an increase of 64.36% over the previous year. Steps need to be taken to release the capital so as to reduce dependence on borrowing, thereby minimizing the financial expenses.”

24.1.95: Explanation of the Department was accepted and **the para was settled.**

The Committee, however, took a serious notice of the absence of the Managing Director, P.I.D.B. and directed the Administrative Secretary to convey its displeasure in this regard to the officer concerned.

The Committee further directed that the Administrative Secretaries should write D.O. letters to the Heads of the Autonomous Bodies, in their Administrative Control for implementation of the decisions of the Public Accounts Committee in the pending para.

17. Para 163: Page 314 – Heavy Increase in the Consumption of Stores

Audit had observed: “Consumption of stores and spares during the year amounted to Rs.14.684 million as against Rs.6.415 million during the year 1986-87 showing an increase of 129% over the previous year. Justification for heavy increase in the consumption of stores and spares be furnished.”

24.1.95: Explanation of the Department was accepted and **the para was settled** subject to verification of latest position of spare parts.

18. Para 164: Page 314 – Non-recovery of Old Outstanding Dues

Audit had observed: “Included in Trade Debtors is a sum of Rs.0.251 million from the Food Department which is outstanding for more than 5 years. Neither any recovery could be made nor any provision made for bad and doubtful debts. Steps need to be taken for early realization/adjustment of old outstanding dues.”

24.1.95: **The para was settled** as per recommendation of Audit.

19. Para 165-170: Page 315-146 – Balance Sheets

30.5.02: The Committee noted the Balance Sheets reflected in the paras.

Information Department

Overview

Total Paras

4

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 2	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 13.6, 13.8	2
Paras Pended 2	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Civil: 13.6.1, 13.8.1:	2

Discussed on 30 May 2002

(Civil Audit)

1. Para 13.6: Page 121 – Rules Violation – Rs.33,840

30-5-02: The Committee noted the para as it contained summary of one case involving violation of rules with reference to para 13.6.1 which has not so far been discussed and is pending.

2. Para 13.8: Page 121 – Recovery Outstanding – Rs.86,065

30-5-02: The Committee noted the para as it contained summary of one case pertaining to

the outstanding recovery with reference to para 13.8.1 which has not so far been discussed and is pending.

Irrigation and Power Department

Overview

Total Paras	Works	Commercial
173	155	18

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 8	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Commercial: 3(xvii), 181, 182, 183, 184, 185, 186, 187	8
Paras Finally Settled 44	Paras finally settled as the requisite action had been taken.	Works: I-2, I-28, I-31, I-32, I-33, I-39, I-42, I-45, I-53, I-58, I-60, I-61, I-62, I-63, I-65, I-66, I-67, I-68, I-70, I-73, I-77, I-82, I-86, II-2, II-5, II-9, II-10, II-12, III-2, III-3, III-4, III-6, IV-1, IV-6, VI-3, VII-2, VII-3	37
		Annexure Paras: 126(10), 17(a)64, 17(a)157(i), 97(2)	4
		Commercial: 173, 174, 177	3
Paras Conditionally Settled 29	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.	Works: I-9, I-10, I-11, I-12, I-21, I-23, I-25, I-37, I-43, I-44, I-47, I-48, I-64, I-78, I-84, II-1, II-3, IV-5, V-7, V-12, V-13, VII-1	22
		Annexure Paras: 95(8), 17(a)18(8), 51(7)	3
		Commercial: 175, 176, 179, 180	4
Paras Pended 92	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Works: I-1, I-3, I-4, I-5, I-6, I-7, I-8, I-13, I-14, I-15, I-16, I-17, I-18, I-19, I-20, I-22, I-24, I-26, I-27, I-29, I-30, I-34, I-35, I-36, I-38, I-40, I-41, I-46, I-49, I-50, I-51, I-52, I-54, I-55, I-56, I-57, I-59, I-	86

69, I-71, I-72, I-74, I-75, I-76, I-79, I-80, I-81, I-83, I-85, II-4, II-6, II-7, II-8, II-11, II-13, II-14, II-15, III-1, III-5, IV-2, IV-3, IV-4, IV-7, V-1, V-2, V-3, V-4, V-5, V-6, V-8, V-9, V-10, V-11, V-14, V-15, V-16, V-17, V-18, V-19, V-20, VI-1, VI-2, VI-4, VI-5, VI-6, VI-7, VII-4	
Annexure Paras: 97(13), 50(26), 89(10)	3
Commercial: 171, 172, 178.	3

Discussed on 13 January, 6 March, 15 April, 13 & 15 May 1993, 2 January, 12 June 1995, 30 January, 30 June 1996 and 30 May 2002

(Works Audit)

1. Para I-1: Page 73 – Excess Payment to the Contractors Rs.328,771

Audit had observed: “In two cases of Rehabilitation and Remodeling of Canals, payments for carriage of 1102,584 Cft. stone based on stack measurements were made to different contractors. Subsequently payment for laying stone in apron/slope was made for the same quantity. Since 125 Cft. stone measured in stack is equal to 100 Cft. stone actually used. Therefore, the quantity of laying stone in apron/slope, should have been 863216 Cft. instead of 11,02,584 Cft. Therefore, by adopting incorrect method of measurements an overpayment of Rs.328,771 was made to the contractors.”

13.5.93: The para was kept pending for recovery and its verification by Audit. The Department was directed by the Public Accounts Committee to refer the matter to the Standing Rates Committee for clarification on the issue involved. **The para was kept pending.**

2. Para I-2: Page 73-74 – Excess Payment to a Contractor due to Incorrect Rate for the Item of Work Rs.26,377

Audit had observed: “An overpayment of Rs.26,377 was made to a contractor due to payment of incorrect rate for the item of work “shrouding material i.e. graded pea gravel 3/8” to 1/8”. The supply of shrouding material was arranged by the contractor on the basis of Composite Schedule of Rate 1979 but the deduction of 5% wastage was not made which resulted in an overpayment.”

13.5.93: The explanation of the Department was accepted and **the para was settled.**

3. Para I-3: Page 74 – Excess Payment to a Contractor due to Excessive Quantities for the Item of Work Rs.51,900

Audit had observed: “An excess payment of Rs.51,900 was made to a contractor due to payment of excessive quantities of the item of work “extra cost of labour and material for red oxide pigment in cement pointing”. As the extra labour and material for “Red oxide pigment in cement pointing” was to be paid, hence the quantity of cement pointing and quantity of red oxide should be equal but the excessive quantity of red oxide was paid than the quantity of cement pointing.”

13.5.93: The Department explained that recovery was being made as per Audit observation. As regards disciplinary action against the XEN, who made over-payment had retired and Pension Payment order had been issued and one year had also passed. **The para was kept pending** for recovery.

4. Para I-4: Page 74 – Excess Payment to a Contractor due to Application of Incorrect Rate Rs.16,415

Audit had observed: “An excess payment of Rs.16,415, was made to a contractor due to application of incorrect rate. The item “Extra labour and material for red oxide pigment in cement pointing to match the colour of bricks” can only be paid in cement pointing only whereas this item was paid when no cement pointing was done at all. This resulted into an overpayment of Rs.16,415 which was pointed out in October, 1987.”

13.5.93: The para was kept pending for recovery as the Department admitted the overpayment.

5. Para I-5: Page 75 – Excess Payment to a Contractor due to Defective Work Rs.118,988

Audit had observed: “A contractor was over paid for Rs.118,988 due to defective work (not accepted by the consultants viz M/S NESPAK). The amount was placed in Miscellaneous P.W. Advances in August 1987 as recoverable from Sub-Engineer and Sub-Divisional Officer who had accepted the defective work and verified the bills of the contractor. The recovery of excess payment was however still awaited.”

12.5.93: The Department stated that after inquiry recovery had been imposed on the concerned Overseer and S.D.O. in equal shares. The S.D.O. had appealed before the Service Tribunal and next date of hearing had been fixed for 11-5-1993. However, since there was no stay order the recovery should be started. **The para was kept pending** for recovery.

6. Para I-6: Page 75 – Excess Payment to a Contractor Rs.27,538

Audit had observed: “Payment for dressing of 651545 cft. earthwork was made @ Rs.10.90 per % 0 cft; in addition to the rate of Rs.61 per%0 cft; paid for compaction. The rate for dressing of earth was, in fact, included in the rate of compaction of earth. This resulted in an excess payment of Rs.27,538 to contractor.”

12.5.93: The Finance Department’s representative pointed out that payment for dressing was not made where compaction was done. It was never paid before. The Department informed that recovery of Rs.4,485 had since been made from the contractor from his security and for the balance amount inquiry was in progress against the S.D.O. and the Sub Engineer. S. D.O. had been retired and entry of recovery had been made in his pension papers and would be made from his pensionary dues. Inquiry against Sub Engineer was in progress. The Committee directed the Department to complete the action within two months. **The para was kept pending** for recovery.

7. Para I-7: Page 75-76 – Excess Payment to a Contractor Rs.16,915

Audit had observed: “Payment for dressing of earthwork (1110812 cft) was made @ Rs.10.90 per %0 cft; in addition to the compaction of the same quantity paid @ Rs.61 per %0 cft. The rate for dressing of earth, was included in the rate for compaction of earth. This resulted in excess payment of Rs.16,915 to a contractor.”

12.5.93: The Committee directed the Department to make personal efforts to effect recovery as arrears of land revenue from two contractors involved in this case. **The para was kept pending** for recovery.

8. Para I-8: Page 76 – Excess Payment to the Contractors Rs.38,808

Audit had observed: “Contractors were paid for dressing of earth work @ Rs.10.90 per %0 cft; in addition to the rate of Rs.61 per % cft paid for compaction of earth. This resulted in an excess payment of Rs.38,808 to the contractors.”

12.5.93: Para 2 Rs.26,004

The matter was being pursued through District Collector.

Para 4 Rs.12,802

An amount of Rs.5,000 had since been recovered and balance would be recovered as soon as assured by the Department. The Committee directed the Department to pursue the matter vigorously and **the para was kept pending**.

9. Para I-9: Page 76-77 – Excess Payment to a Contractor Rs.19,017

Audit had observed: “Payment was made for removing and stacking of 6907 cft. stone, in addition to the dismantling of the same quantity. According to specifications nos. 18.1(9)(i) and 18.1(11)(i), the rate for dismantling included the removing and stacking of material with

300 feet. Separate payment for removing and stacking thus, resulted in an excess payment of Rs.19,017 to a contractor.”

12.5.93: It was stated by the Department that complete recovery of Rs.19,019 had been adjusted from the security of the contractor. The overpayment was due to over-sight and not malafide. Subject to verification of recovery by Audit, **the para was settled.**

10. Para I-10: Page 77 – Excess Payment to Contractor Rs.222,235

Audit had observed: “ Payments were made to the contractors for bailing out water during well sinking of bridges. According to specifications No. 841-9.2, the rate for well sinking includes the item of pumping out water as well. The contractors were, thus, over paid Rs.222,235.”

13.1.93: The Administrative Department explained that the payment in question actually related to the dewatering of working pits dug out for construction/ masonry work of the bridges after well sinking had been made. Bailing out water during well sinking was borne by the contractors themselves. It was explained that the bailing out water was necessary for lowering sub soil water and not for well sinking thus, no overpayment was involved. The Public Accounts Committee directed that the position explained by the Department may be got verified by Audit. The para was kept pending.

2.1.95: The para was settled subject to verification by Audit.

11. Para I-11: Page 77-78 – Excess Payment to a Contractor Rs.11,284

Audit had observed: “Payment for the item of work “Providing and laying stone pitching/ filling dry hand packed in aprons”, was made at the rate of Rs.399.05 per% cft; against the permissible rate of Rs.218.95 per% cft. This resulted in an overpayment of Rs.11,284 to a contractor.”

13.1.93: The Administrative Secretary conceded to Audit point of view that payment should have been made according to the record entry. The Public Accounts Committee observed that it was an unauthorized payment and should be recovered from the officers responsible for making the payment. The para was kept pending.

2.1.95: The para was settled subject to verification of recovery by Audit, as stated by the Department.

12. Para I-12: Page 78 – Excess Payment to a Contractor Rs.42,972

Audit had observed: “Payment was made to a contractor for rehandling of 6,25,898 cft; earth work upto 50 feet brought from outside borrowpits whereas he was entitled to only 50 feet extra lead as provided in the sanctioned estimate. In this way the contractor was paid the

rate of rehandling the earth instead of extra lead of 50 feet. This resulted in an excess payment of Rs.42,972 to a contractor.”

13.5.93: It was explained by the Department that the work was done by the Excavator Division with Departmental machinery. **The para was settled** subject to verification of departmental contention by Audit.

13. Para I-13: Page 78-79 – Excess Payment to the Contractors Rs.461,000

Audit had observed: “Payment of Rs.124.05 per %o cft. for earth work excavation in irrigation channels, drains etc. within 50 feet lead was made to contractors, in addition to Rs.52.95 per %o cft; for rehandling of the earth within 50 feet lead. A separate payment for rehandling of the earth, was not justified because it was included in the rate of Rs.124.05 as per item No.10(i) page 28 of the C.S.R. 1979. The excess payment of Rs.461,000 was pointed out in August 1988.”

13.1.93: The Department admitted the overpayment. The Public Accounts Committee directed that the officers responsible for overpayment should either pay the amount themselves or arrange the same from the contractors. Besides recovery, disciplinary action should also be taken against the XEN, SDO, Sub Engineer and the Divisional Accountant. **The para was kept pending.**

14. Para I-14: Page 79-80 – Overpayment of Rs.1,234,352

Audit had observed: “ An over payment of Rs.1,234,352 was made to a contractor during July 1988 due to excessive rates/measurements etc as per details given below:-

i) The Contractor used 33000 munj/patha trungers of 3 cft capacity each for holding 66000 bags filled with sand. It means that two bags of 1.25 cft capacity each were placed in each trunger. He was, therefore, entitled to the rate of Rs.3.40 per bag for supplying, filling, sewing and laying in position under water vide item No:3(b) page 130 of C.S.R. 1979 plus 40% quoted premium but he was paid at the non-scheduled rate of Rs.12.41 per bag of 2-3 cft. capacity each which was not possible in view of the capacity of each trunger. The higher rate allowed thus, resulted in an overpayment of Rs.504,900 to the contractor.

ii) Since the capacity of each sand filled bag was 1.25 cft. as explained in (i) above, the contractor was required to be paid @ Rs.3.05 per bag for supplying, filling, sewing and stacking in dry 32500 bags vide item No:3(a) page 130 of C.S.R. 1979 but he was paid at the non-scheduled rate of Rs.11.20 per bag showing 2-3 cft. capacity each which resulted in over payment of Rs.225,225 to the contractor.

iii) In pursuance of the remarks at (i) & (ii) above, the quantity of sand required for filling in 98500 bags of 1.25 cft. capacity each works out to 123,125 cft. but the contractor was paid for 197,000 cft supplying sand. Moreover, the sand was available from the bed of the river/canal within 500 feet lead and was river/canal within 500 feet

lead and was payable at Rs.15.10 cft. vide item No. 41 page 36 of CSR 1979 plus 40% premium but the contractor was paid at the rate of Rs.53.65 per % cft by allowing one mile lead and composite rate for the supply of sand. The excessive measurements and rate, thus resulted in an over payment of Rs.111,527 to the contractor.

iv) The contractor was paid for supplying 33,000 munj/patha trungers of 6² mesh and 3 cft capacity @ Rs.8.50 each plus 40 % premium to hold sand filled bags. On the other hand, he was also paid for 450 k.g plythene sheet wrapped around each layer of “sand filled bags” to prevent leakage of water through pores. The payment for supplying trungers was, therefore, superfluous and unjustified, resulting in an over payment of Rs. 392,700 to the contractor.”

2.1.95: The Committee directed that all the relevant record in support of departmental contention be produced to Audit for verification within one month. **The para was kept pending.**

15. Para I-19: Page 82 – Excess Payment to the Contractor Rs.244,874

Audit had observed: “Payment was made to contractors for bed clearance of old drain at the rate admissible for excavation of new drain. Although the work executed was undressed earth, yet payment was made for dressed earth work. The extra rate of Rs.18.15 per % cft. resulted in an overpayment of Rs.244,874 to a contractor.”

13.1.93: The Department explained that payment had been made according to the estimates and the Technical Sanction and had also been re-imbursed accordingly by NESPAK. The Administrative Secretary was asked to give his considered view in this matter. The para was kept pending.

6.3.93: It was explained by the Administrative Secretary that the Hudiara Nallah prior to Rehabilitation as a drain in 1985-87 was a natural nallah, out falls into River Ravi. Its reshaping was carried out under U.S. Aid Programme in the supervision of M/s NESPAK. Actually the Department proposed its dredging by the Department itself but in the border belt due to thick growth of plantation/security reasons the work was let out to the contractor in Reach RD 138-194 at the rate of Rs.124% Cft. In Reach RD 194-270 dredging was carried out departmentally by machines for which rate of Rs.332.95% Cft was paid. In Reach RD 270-308 as the dumping areas was not available on right side, as such work was let out to the contractor allowing rate of Rs.124.05% Cft. The contractor concerned employed donkey labour. Had there been no restraints in Reach RD 138-194 and Reach RD 270-308 the whole work would have been executed through machines. Actually the work of excavation was equal to the making of a new drain instead of reshaping it into a drain. The excavation to the extent of 12 feet depth in fact was not a bed clearance for which rate admissible was Rs.264.70& Cft, but the Administrative Department allowed/paid Rs. 124.05% Cft the minimum, thus the Department effected a saving, therefore, there was no question of overpayment. Nallah was completely silted up and a lot of bed excavation was involved. **The para was kept pending** for considered opinion of the Public Accounts Committee.

16. Para I-20: Page 82-83 – Excess Payment to a Contractor Rs.107,117

Audit had observed: “A quantity of 74,19,393 cft. earth work from outside borrow pits lead 3300 feet, compacted with road roller was paid at the rate of Rs.365.90 per %0 cft. against the admissible rate of Rs.346.65 %0 cft. This resulted in an overpayment of Rs.107,117 in October 1988.”

13.1.93: The Department admitted that dressing had been overpaid while compaction had been correctly paid and stated that record was with the Anti-Corruption Department. The Public Accounts Committee directed that the record may be shown to Audit for verification of Departmental contention. **The para was kept pending.**

17. Para I-21: Page 83 – Excess Payment to a Contractor Rs.31,056

Audit had observed: “Supply of brush wood and laying in position, was paid at the rates of Rs.20.15 and Rs.18.15 per % cft. against the admissible rates of Rs.15.15 and Rs.7.60 per % cft. The higher rates allowed, thus, resulted in an overpayment of Rs.31,056 in October 1988.”

6.3.93: The para was settled, subject to verification of relevant record.

18. Para I-22: Page 83-84 – Excess Payment to a Contractor Rs.26,000

Audit had observed: “The distance from Sikhan-Wali quarry to Sharkpur Bund, was shown as 130 miles (including first six katcha miles for the carriage of stone in PC-I of the Project). While making payment the distance was taken as 140 miles. Therefore, overpayment for 10 miles lead amounting to Rs.26,000 was made to the contractor.”

6.3.93: The Public Accounts Committee directed the Department to effect recovery as admitted by the Department. The Administrative Secretary promised to look into the matter of recovery and responsibility fixed if any irregular payment was made to the contractor. **The para was kept pending.** The Administrative Department would expedite action within two months.

19. Para I-23: Page 84 – Excess Payment to a Contractor Rs.23,116

Audit had observed: “Payment for carriage of stone lead 134 miles (Ist six and last four miles katcha) was made at the rate of Rs.335.40 per % cft; against the admissible rate of Rs.329.31 per % cft. This resulted in an overpayment of Rs.23,116 in June 1988.”

6.3.93: The recovery of Rs.23,116 had been effected, therefore, **the para was settled** subject to verification by Audit.

20. Para I-24: Page 84 – Excess Payment to the Contractors Rs.22,745

Audit had observed: “The rate of Rs.10.90 per %0 cft. for dressing of earth work in ordinary soil was paid to the contractors, in addition to the rate of compaction of earth work. This resulted in an overpayment of Rs.22,745 to the contractors.”

6.3.93: The Public Accounts Committee directed the Department to effect recovery within three months as per decision of the Standing Rates Committee. **The para was kept pending.**

21. Para I-25: Page 84-85 – Excess Payment to a Contractor Rs.17,556

Audit had observed: “An item of work (excavation of drain) was provided in the sanctioned estimate as undressed earth. The record entries made in the measurement books also showed it as undressed earth, but the payment was made to a contractor for dressed earth. The extra rate of Rs.10.90 per %0 cft for dressing, resulted in an overpayment of Rs.17,556 to a contractor.”

6.3.93: The para was settled subject to recovery and its verification by Audit.

22. Para I-26: Page 85 – Excess Payment to a Contractor Rs.69,300

Audit had observed: “Item of cement concrete 1:3:6 in foundation was paid at the rate of Rs.1121.60 per % cft. against the admissible scheduled rate of Rs.858.50 per % cft. This resulted in an overpayment of Rs.69,300 in June 1988.”

15.5.93: Audit informed the Committee that there were variations in the approved drawing. Moreover, base-foundation rate should have been paid. The Department explained that the rate had been paid correctly according to the provisions made in the sanctioned estimate and tender specification. It was further explained that no changes were made in the drawing. Remodelling was, however, made on the existing drawing which was procedurally correct. Audit was directed to verify the factual position. **The para was kept pending.**

23. Para I-27: Page 85-86 – Excess Payment to Contractors Rs.30,823

Audit had observed: “The quantities of 214365 cft; and 111865 cft; earth were paid as dressed earthwork at the rate of Rs.10.90 per %0 cft. from February 1987 to January and May 1988 respectively, as per record entries in the measurement books. In the last running and final bills of January and May 1988 paid contractors, the nomenclature of the item of work was changed from “dressing” to “compaction of earth work” and payment was allowed at the rate of Rs.61 per %0 cft. This resulted in an overpayment of Rs.30,823 to the contractors.”

15.5.93: Audit brought to the notice of the Committee that the matter pertained to excess payment of Rs.30,823 in regard to the change of nomenclature of the work from dressing to compaction in the last running and final bill of the contractor. The Department did not agree with the contention of Audit. It was stated categorically that payment for dressing was not made by the Department. The Committee directed that factual position should be got verified by Audit. The Committee further directed that, in future, the Department should ensure verification of record by Audit before appearing in the meeting of the Public Accounts Committee. **The para was kept pending.**

24. Para I-28: Page No.86 – Excess Payment to a Contractor Rs.210,747

Audit had observed: “Record entries for compaction were made after 3 to 17 months of earthen embankment which was neither possible nor according to specifications. This resulted in an excess payment of Rs.210,747 in September 1987.”

15.4.93: The Administrative Secretary explained that procedural irregularity, in not maintaining the Measurement Book according to the actual work done, was there, but the consultants M/S NESPAK had certified the compaction and released payment. His version was accepted and **the para was settled** with the observation that the Administrative Secretary would issue instructions to all concerned that measurement book should be properly maintained.

25. Para I-29: Page 86-87 – Excess Payment to the Contractors Rs.23,134

Audit had observed: “Mixing and Moisturing earth to resistance content in layers for compactions was paid to the contractors in June and November 1987 but there existed no record entry for the execution of the item of compaction nor payment for the same was made. Apparently, fictitious measurements for mixing and moisturing were recorded, resulting in an excess payment of Rs.23,134 to the contractors.”

15.4.93: The Department assured the Committee that payment of compaction would be got verified by Audit. Accordingly **the para was kept pending**.

26. Para I-30: Page 87 – Excess Payment to the Contractor Rs.49,000

Audit had observed: “An over-payment of Rs.49,000 was made to contractors on account of application of incorrect rate for compaction of earth.”

15.4.93: The Department explained that recovery of Rs.16,389 had already been effected and Rs.32,437 was still outstanding. The Department however, contested the Audit objection was deleteable able. Audit sought time to examine the matter afresh, as it applied to numerous other paras. **The para was kept pending**.

27. Para I-31: Page 87 – Excess Payment to Contractor Rs.16,800

Audit had observed: “ Payment of Rs.16,800 was made to a contractor on account of dressing of earth in addition to its moisturing. This resulted in an overpayment of Rs.16,800.”

15.4.93: Excess payment made to the contractor had been recovered and verified by Audit. **The para was settled**.

28. Para I-32: Page 87 – Excess Payment to Contractor Rs.48,402

Audit had observed: “An excess payment was made on account of excessive measurement of pilchi cutting and extra carriage, resulting in a loss of Rs.48,402 to the Government.”

15.5.93: Audit agreed with the contention of the Department that no overpayment was involved after scrutinising the relevant record. **The para was settled accordingly.**

29. Para I-33: Page 87-88 – Excess Payment to Contractor Rs.25,448

Audit had observed: “The rate of Rs.199.35 per 100 sft. For pilchi pitching at SI.No.24 at Page 133 of CSR 1979 is inclusive of supply of pilchi within one mile. Since it is a composite rate, the supply of pichi includes cutting of pilchi. In a case payment for cutting of pilchi was made in addition to the composite rate of Rs.199.35 per % sft. Which was not admissible and resulted in overpayment of Rs.25,448.”

15.5.93: Full recovery having been effected and verified by Audit, **the para was settled.**

30. Para I-34: Page 88 – Excess Payment to a Contractor Rs.173,960

Audit had observed: “Excess payment of Rs.173,960 was made on account of excessive measurement for the quantity of stone pitched.”

15.5.93: It was explained by Audit that the matter was concerned with stone pitching item on slope and apron.

It was recommended by Audit that:-

1. Recovery pertaining to course rubble masonry must be effected.
2. The Department’s contention regarding wire crate filling was not correct because reduction factor was definitely applicable. Therefore, recovery was to be effected.
3. It was acknowledged that the Department was justified.

The Department informed the Committee that they had worked out further details and would get the matter reconciled with Audit. The Committee directed that the Department should get the needful done within one month. **The para was kept pending.**

31. Para I-35 Page 88: Excess Payment to Contractor Rs.171,766

Audit had observed: “Payment for carriage of 172350 cft pitching stone, was made and the same quantity was pitched while 125 cft loose pitching stone was to be taken as 100 cft. pitched stone as per decision of the Standing Rate Committee dated 31.5.1980. Thus the loss of Rs.171,766 was sustained by the Government.”

15.5.93: The Department explained the position regarding excess payment to the contractor for carriage of pitching stone. Audit did not agree with the contention of the Department and asserted that reduction factor was appreciable. The Committee directed the Department to get the position reconciled with Audit. **The para was kept pending.**

32. Para I-36: Page 88-89 – Excess Payment to a Contractor Rs.51,647

Audit had observed: “ Payment for carriage of stone was correctly made at the rates of Rs.93.50 and Rs.153.46 per % cft; up to fifth running bill paid in January 1988, but in the sixth and final bill paid in March 1988, the rates were increased to Rs.104,06 and Rs.160.43 per % cft. respectively. Hence, the excess payment of Rs.51,647 was made to a contractor in contravention of the rates provided in C.S.R 1979.”

15.5.93: The Department explained that actual carriage was paid and no overpayment was involved and that relevant record would be shown to Audit but the Audit complained that no record had been shown to them till now inspite of passage of so many years. The Committee directed that relevant record should be produced to Audit for verification. **The para was kept pending.**

33. Para I-37: Page 89 – Excess Payment to a Contractor Rs.25,150

Audit had observed: “According to the instructions under Chapter earth-work at Page 25 of CSR 1979, deduction for settlement from the bank measurement, ranging between 3% to 6%, should be agreed to with the contractor, before the work is let out to be done by machine. In a case the rate of deduction for settlement was not decided with the contractor and the deduction was made at 5% in some running payments which was subsequently changed to 4% in further payments. By changing the rate of settlement, overpayment of Rs.25,150 was made.”

15.5.93: In this para, Audit’s objection was that the Department had changed the deduction of shrinkage from 5% to 4%. The Department explained that deduction of shrinkage had been made @ 5% from the final bill of the contractor as originally agreed upon. Subject to verification by Audit, **the para was settled.**

34. Para I-38: Page 89-90 Excess Payment to Contractor Rs.50,113

Audit had observed: “Payment for tipping 60059 cft; stone by boat, was made after filling in the trungers the same quantity of stone was also paid as dumping by boat. Since tipping and dumping by boat are one and the same operations, as such the additional payment for dumping, resulted in an overpayment of Rs.50,113 to the contractors in January and March 1989.”

15.5.93: Audit pointed out that the Standing Rates Committee had decided that only anchoring would be paid and tipping would not be paid. **The para was kept pending** for further scrutiny and verification by Audit.

35. Para I-39: Page 90 – Excess Payment to a Contractor Rs.34,111

Audit had observed: “The item of cement concrete 1:4:8 laid under foundation of walls

and R.C.C. pipes, was paid at the rate of Rs.989.85 per % cft; against the admissible scheduled rate of Rs.717.30 per % cft. This resulted in an overpayment of Rs.34,111 to a contractor in November 1988.”

15.5.93: The Committee was informed that full recovery had been effected and verified by Audit. Moreover, overpayment was not wilful. **The para was settled.**

36. Para I-40: Page 90 – Excess Payment to the Contractor Rs.28,482

Audit had observed: “An amount of Rs.28,482 was paid to contractors for collection and stacking of stone from the bed of the nullah. They were paid composite rates for the items of works on which the said stone was used although the composite rates were inclusive of the cost of stone. Separate payment for collection of stone, thus resulted in an overpayment of Rs.28,482 to the contractors in June 1988 and March 1989.”

15.5.93: The Department explained that part recovery had been affected and would be got verified by Audit and efforts for the balance recovery were being made which could be got verified by Audit as and when recovered. The Committee directed that the recovery should be got verified by Audit and balance recovered expeditiously, and the concerned officials should also be asked to explain why overpayment was made. **The para was kept pending.**

37. Para I-41: Page 91 – Excess Payment to the Contractor Rs.28,445

Audit had observed: “Payment for carriage of earth, was made in excess of the leads provided in the agreements executed with the contractors. This resulted in an excess payment of Rs.28,445 in June 1988.”

15.5.93: The Department admitted that hilly area allowance given to the contractor amounting to Rs.18,430 was not provided in estimate and was recoverable. The para was reduced to Rs.18,430 and the Department was directed to make the recovery expeditiously. **The para was kept pending.**

38. Para I-42: Page 91 – Excess Payment to a Contractor Rs.174,171

Audit had observed: “An overpayment of Rs.174,171 was made to a contractor in February 1988 by allowing wetness allowance from outside borrowpits which was against the estimate sanctioned by the Chief Engineer and the agreement executed with the contractor.”

15.5.93: Audit agreed that the contention of the Department was justified. **The para was settled.**

39. Para I-43: Page 92 – Excess Payment to Contractor Rs.108,926

Audit had observed: “Extra carriage was allowed for brush wood with lead of 8-4 miles in case of work done between R.D. 148100 to 148450, R.D 153400 to 156800, and RD 174500 to 192100 whereas brush wood was available in all reaches from canal plantation. It was replied that trees were available only in RD113 to 138. The reply was not accepted because the plantation register proved that trees were available in all reaches. This resulted in an excess payment of Rs.108,926.”

15.5.93: The Committee directed that the Department should produce the relevant record to Audit for verification within a fortnight to prove their contention. Subject to verification by Audit, **the para was settled.**

40. Para I-44: Page 92 – Excess Payment to Contractor Rs.34,197

Audit had observed: “Rate of dressing was allowed for the earth lead upto 200 whereas dressing was allowed only up to 50. Thus a loss of Rs.34,197 was sustained by the Government.”

15.5.93: The Department informed the Committee that extra lead had been provided in the schedule and they could substantiate it with their record. Subject to verification by Audit, **the para was settled.**

41. Para I-45: Page 92 – Excess Payment to a Contractor Rs.28,152

Audit had observed: “Brush wood was filled thoroughly packed but instead of allowing the rate of 7.60, the rate of Rs.44.75 was allowed for making rolls and launching in position which resulted in an excess payment of Rs.28,152.”

15.5.93: The Department explained that payment was made according to the actual job executed and provisions in the sanction estimates and no excess payment was involved. The explanation of the Department was accepted and **the para was settled.**

42. Para I-46: Page 92 – Excess Payment to a Contractor Rs.13,065

Audit had observed: “A contractor was paid for the carriage of stone at rates higher than those admissible as per Composite Schedule of Rates, 1979. This resulted in an excess payment of Rs.13,065 to a contractor.”

15.5.93: Recovery of Rs.3,110.55 had been made and verified. The Department explained that there was a calculation mistake in the actual balance amount to be recovered. The Committee directed that the record be produced to Audit within a fortnight and recovery be made accordingly. **The para was kept pending.**

43. Para I-47: Page 93 – Excess Payment to a Contractor Rs.97,000

Audit had observed: “An overpayment of Rs.97,000 was made to a contractor by

measuring excessive lead of 20 miles for the carriage of stone. The actual lead was 120 miles but 140 miles was paid.”

15.5.93: The Department informed the Committee that full recovery had been affected from the final bills of the contractor. Subject to verification by Audit, **the para was settled.**

44. Para I-48: Page 93 – Excess Payment to a Contractor Rs.97,000

Audit had observed: “An overpayment of Rs.97,000 was made to a contractor due to non-deduction of 45% premium below the Schedule of Rates, 1979 as per contract agreement.”

15.5.93: The Department was directed to get verification of the recovery of Rs.96,898 by Audit. Subject to verification by Audit, **the para was settled.**

45. Para I-49: Page 93 – Excess Payment to a Contractor Rs.42,000

Audit had observed: “An overpayment of Rs.42,000 was made to a contractor on account of incorrect measurement for the items of work “cutting and supplying of brush wood, and cutting and supplying of pegs 6 long and 3-6” dia”.”

15.5.93: The Department agreed with the contention of Audit that overpayment was recoverable and disciplinary action against the official responsible for it was warranted. **The para was kept pending** for recovery & disciplinary action.

46. Para I-50: Page 94 – Excess Payment to a Contractor Rs.39,000

Audit had observed: “Overpayment of Rs.39,000 was made to a contractor on account of application of incorrect rate. The rate as per CSR. 1979, works out to Rs. 57.61 per %0 cft whereas the rate paid was Rs. 61 per %0 cft.”

15.5.93: The Department informed the Committee that recovery of Rs.27,716 had been effected and promised to recover the balance amount of Rs.11,283 within two months. **The para was kept pending.**

47. Para I-51: Page 94 – Excess Payment to a Contractor Rs.17,700

Audit had observed: “An overpayment of Rs.17,700 was made to a contractor by measuring excessive lead for carriage of stone. According to the contract agreement, executed with the contractor, the lead was 96 miles whereas lead of 97 miles was paid.”

15.5.93: The Administrative Secretary admitted that recovery should be effected as per DNIT. The Committee directed that the Department should effect recovery within three months. **The para was kept pending.**

48. Para I-52: Page 94 – Excess Payment to a Contractor Rs.10,000

Audit had observed: “An overpayment of Rs.10,000 was made to a contractor on account of less deduction of earth, obtained from excavation of foundation, from the quantity of earth, brought from outside.”

15.5.93: The Department committed to effect recovery of Rs.10,000 within one month. **The para was kept pending.**

49. Para I-53: Page 95 – Excess Payment to a Contractor Rs.24,436

Audit had observed: “An excess payment of Rs.24,436 on account of excessive measurement of shrouding material, used in the bore of tubewells, was made to a contractor.”

15.5.93: Provision in the Technical Sanction Estimate for the work done by the contractor had been verified by Audit, **the para was settled.**

50. Para I-54: Page 95 – Excess Payment to a Contractor Rs.292,331

Audit had observed: “Payment of Rs.292,331 was made to a contractor on account of compaction of earth-work without recording entry of compaction in the measurement book.”

15.4.93: After Audit verification the amount of the para had increased to Rs.353,821. **The para was kept pending** for re-examination by Audit.

51. Para I-55: Page 95-96 – Excess Payment to a Contractor Rs.149,100

Audit had observed: “The quantity of earth-work paid to the contractor was more than the quantity computed on the basis of X-Sections, and sanctioned in the estimates. The excess quantity resulted in overpayment of Rs.149,100.”

15.4.93: Audit reported that during the course of examination of this draft para the amount of excess payment had been increased to Rs.262,000. **The para was kept pending** for re-examination by Audit.

52. Para I-56: Page 96 – Excess Payment to a Contractor Rs.19,954

Audit had observed: “An overpayment of Rs.19,954 was made to a contractor for dressing of earth in addition to its compaction, already paid.”

15.4.93: The matter being subjudice, **the para was kept pending** with a direction to the Department to pursue it vigorously.

53. Para I-57: Page 96 – Excess Payment to a Contractor Rs.192,731

Audit had observed: “Payment for dressing of earthwork was made @ Rs.10.90 per %0 cft, in addition to the rate of Rs.61 per %0 cft. paid for its compaction which also includes the rate of dressing. This resulted in an over payment of Rs192,731 to a contractor.”

12.5.93: An amount of Rs.23,000 had been effected and the balance recovery was being pursued. The Administrative Secretary was directed to evolve some mechanism of recovery of balance amount from contractors working in other divisions and report in the next meeting. **The para was kept pending** for recovery.

54. Para I-58: Page 97 – Excess Payment to a Contractor Rs.231,281

Audit had observed: “Payment of Rs.231,281 was made to a contractor on account of premiums @ 44.75% above, despite the fact that the C.E. had fixed the ceiling premium of 25% above.”

15.4.93: The payment in question had correctly been made and no excess payment was involved as confirmed by Audit. **The para was settled.**

55. Para I-59: Page 97 – Excess Payment to a Contractor Rs.77,692

Audit had observed: “Excess payment of Rs.77,692 was made to a contractor, due to allowing higher rates than that provided in the C.S.R. 1979.”

15.4.93: The Department stated that recovery of Rs.77,692 had already been effected from the contractor and verified by Audit. However, for the balance recovery of Rs.22,878 efforts were being made to effect as arrears of land revenue through the Collector. **The para was kept pending.**

56. Para I-60: Page 97 – Excess Payment to Contractor Rs.26,884

Audit had observed: “Rate of Up-rooting Stumps of 2ft. to 6ft girth was paid for Up-rooting Stumps of 3”x6” girth, resulting in overpayment of Rs.26,884.”

15.4.93: Full recovery had been effected and verified by Audit, **the para was settled.**

57. Para I-61: Page 98 – Excess Payment to the Contractors Rs.24,868

Audit had observed: “An excess payment of Rs.24,868 was made to contractors due to non-

deduction of shrinkage of earth as required under the instructions in the C.S.R 1979.”

15.4.93: Actual recovery of Rs.3,732 instead of Rs.24,868 had already been effected and verified by Audit. **The para was settled.**

58. Para I-62: Page 98 – Excess Payment to Contractor Rs.88,146

Audit had observed: “Extra payment for slush and Daldal amounting to Rs. 88,146 was made during 1986, without sanction from the Competent Authority. The Competent Authority in May 1988 accorded approval for the extra payment for slush and Daldal to regularize the irregular payment. The orders of regularization are not acceptable in Audit because classification of the soil cannot be decided after two years of actual execution.”

15.4.93: Post facto sanction of payment of slush had been accorded by the Competent Authority. There was no excess payment involved. The Committee accepted the explanation and **the para was settled.**

59. Para I-63: Page 98 – Excess Payment to Various Contractors Rs.81,746

Audit had observed: “An excess payment of Rs.81,746 was made to various contractors due to non-deduction of earth which became available due to unloading of berms.”

15.4.93: Actual recovery worked out to be Rs.7,330 instead of Rs.81,746 which had already been effected and **the para was settled.**

60. Para I-64: Page 99 – Excess Payment to a Contractor Rs.45,802

Audit had observed: “A contractor was allowed payment of excess quantities of earth work than those provided in sanctioned estimate, duly vetted by the consultants i.e. NESPAK, which resulted in an excess payment of Rs.45,802.”

15.4.93: According to departmental stand the variation in payment was within 5% for the earth work and no irregularity was involved. Moreover, the estimate was sanctioned by the Competent Authority.

Audit was of the view that variations from T.S. should invariably be certified by the Competent Authority. In view of the above explanation, the Committee **settled the para** subject to Audit observation mentioned above.

61. Para I-65: Page 99 – Excess Payment to a Contractor Rs.17,916

Audit had observed: “Shrinkage of earth as required under the rules, was not deducted. In this manner an excess payment of Rs. 17,916 was made to a contractor.”

15.4.93: The actual recovery of Rs.7,166 instead of Rs.17,916 had been made and verified.

The para was settled.

62. Para I-66: Page 99 – Excess Payment to a Contractor Rs.11,326

Audit had observed: “An excess payment of Rs.11,326 was made to a contractor due to non-deduction of earth available from un-loading of berms.”

15.4.93: Recovery of Rs.11,326 had already been effected from the contractor and verified by Audit. **The para was settled.**

63. Para I-67: Page 100 – Excess Payment to Contractor Rs.10,231

Audit had observed: “Payment for dressing of earth for a quantity of 102891 cft; was to be made @ Rs. 10.90 %0 cft. but the same was allowed @ Rs.116.80 per %0 cft by treating the item of “dressing” as “excavation and dressing”. This resulted in an overpayment of Rs.10,231.”

15.4.93: Audit had verified the departmental contention that no excess payment was made to the contractor, **the para was settled.**

64. Para I-68: Page 100 – Excess Payment to a Contractor Rs.17,168

Audit had observed: “An overpayment of Rs.17,168 was made to a contractor in June 1987 due to non/less deduction of shrinkage of earth from bank measurements.”

12.5.93: The recovery Rs.11,052.76 as decided in the Departmental Accounts Committee meeting held on 17-10-1989, had been effected and verified. **The para was settled.**

65. Para I-69: Page 100 – Excess Payment to Contractor Rs.461,460

Audit had observed: “An overpayment of Rs.461,460 was made due to application of incorrect rates for compaction of earth work. The compaction was done with machines but the rate payable for animal driven roller was allowed.”

12.5.93: The Department assured the Committee that recovery amounting to Rs.67,059.81 due to difference of rate would be made from the contractors by December, 1993, as the contractors were still working. **The para was kept pending** for recovery.

66. Para I-70: Page 101 – Excess Payment to a Contractor Rs.455,050

Audit had observed: “According to Clause 15, of Additional condition of the contract, the quantity of earth work was required to be multiplied by 9/10 to obtain the quantity for payment purposes. The quantity of earth work was not reduced according to the above factor and overpayment of Rs.455,050 was made to a contractor.”

12.5.93: Since the contents of this para were included in Para 1-69, the Committee

directed to delete it from here. **The para was thus settled.**

67. Para I-71: Page 101 – Excess Payment to a Contractor Rs.250,038

Audit had observed: “An overpayment of Rs.250,038 was made to a contractor due to application of incorrect rate.”

12.5.93: The Department stated that the total amount recoverable due to difference of rate was Rs.59,615.88. An amount of Rs.12,000 had been recovered and the recovery of the balance amount was committed by December, 1993. **The para was kept pending.**

68. Para I-72: Page 101-102 – Excess Payment to a Contractor Rs.140,374

Audit had observed: “An excess payment of Rs.140,374 was made to a contractor, due to application of incorrect rate.”

12.5.93: It was stated by the Department that the approval of non-schedule item was granted on 4/92 and actual recoverable amount from contractors came to Rs.128,360 instead of Rs.140,374. Five contractors were still working with the Department and recovery of Rs.55,219 would be effected from their bills before June, 1993. Other Divisions would be asked to effect recoveries where other concerned contractors were working. There was no malafide intention involved in this case. The Committee directed the Department to effect recovery of Rs.55,219 and get it verified by Audit and pursue vigorously the other recoveries. **The para was kept pending,** for recovery.

69. Para I-73: Page 102 – Excess Payment to a Contractor Rs.47,676

Audit had observed: “An overpayment of Rs.47,676 was made to a contractor due to allowing the rate of Rs.124.05 meant for excavation in ordinary soil, in stead of Rs.88.65 per %0 cft for sandy soil.”

12.5.93: Sandy loamy soil was treated as ordinary soil and payment for the same was made and no overpayment was involved. The explanation was accepted by the Committee and **the para was settled.**

70. Para I-74: Page 102 – Excess Payment to the Contractor Rs.29,254

Audit had observed: “An overpayment of Rs. 29,254 was made to contractors due to non-deduction of 10% shrinkage allowance from the bank measurements.”

12.5.93: It was stated by the Department that compaction in question had in fact been done; as NESPAK had cleared it and allowed reimbursement. However, the difference of rate in the degree of compaction was being recovered. **The para was kept pending** for recovery as stated by the Department.

71. Para I-75: Page 102-103 – Excess Payment to a Contractor Rs.52,013

Audit had observed: “An overpayment of Rs.52,013 was made to a contractor in April 1987 due to application of incorrect rate.”

12.5.93: Recovery of Rs.28,384 had since been effected and verified by Audit and the Committee directed the Department to expeditiously effect the balance recovery of Rs.23,629. **The para was kept pending** for recovery.

72. Para I-77 Page 103 – Excess Payment to the Contractor Rs.199,794

Audit had observed: “Government was put to a loss of Rs. 199,794 due to excess payment made to contractors by allowing excessive lead.”

13.1.93: The Department explained that in the estimates, the lead was provided on average basis but payment was made on actual lead within the total authorized expenditure. The explanation of the Department was accepted and **the para was settled.**

73. Para I-78: Page 103-104 – Excess Payment to a Contractor Rs.89,075

Audit had observed: “An excess payment of Rs.89,075 was made to a contractor by allowing excessive rate of Rs.525 per % sft., instead of Rs.290.94, per % sft, provided in the sanctioned estimate.”

13.1.93: The Public Accounts Committee directed the Administrative Department to get the requisite documents verified by Audit within one month. The para was kept pending.

2.1.95: The Public Accounts Committee took a serious view of the fact that the previous Public Accounts Committee directive dated 13.1.93 had not yet been complied with. The Committee directed that responsibility should be fixed for not implementing the previous directive so far and in the meantime the record to substantiate the departmental contention may be got verified by Audit. The para was kept pending.

12.6.95: The Department explained that original estimates and revised technical sanction had been submitted to Audit but they did not feel satisfied. The Public Accounts Committee directed the Department to produce the Rate Analysis and approval of non schedule items to Audit for scrutiny. **The para was settled** subject to verification of Rate Analysis and approval of non schedule items, by Audit.

74. Para I-79: Page 104 – Excess Payment to a Contractor Rs.277,052

Audit had observed: “An excess payment of Rs.277,052 was made to a contractor by allowing excessive lead of two miles instead of 1000 ft. lead provided in the sanctioned estimate.”

13.1.93: The Department explained that the excessive lead was allowed by Messrs NESPAK after site inspection and reimbursement by NESPAK had been made accordingly. The Committee directed that the factual position may be got verified by Audit. **The para was kept pending.**

75. Para I-80: Page 104 – Excess Payment to the Contractor Rs.129,496

Audit had observed: “Government was put to a loss of Rs.129,496 due to allowing excessive rates for compaction to the contractors for dry density at 95% instead of 85%.”

13.1.93: The Department explained that the Departmental Accounts Committee in its meeting held on 27-11-1988, was convinced with the view-point of the Department and decided to settle the para. Audit pointed out that in similar cases it was decided by the Departmental Accounts Committee on 17-10-1989 at Sargodha that recovery of excess payment as pointed out by Audit should be made. The Committee directed that the relevant minutes of meeting of the Departmental Accounts Committee should be provided to the Committee. **The decision of the Committee was kept pending.**

76. Para I-81: Page 104-105 – Excess Payment to the Contractors Rs.107,412

Audit had observed: “Payments were made to contractors for earth work without deduction of Shrinkage @ 10%. This resulted in an overpayments of Rs.107,412.”

13.1.93: It was observed that the Departmental Accounts Committee directed the Department on 27-6-1988 to produce the record to Audit but the S.D.O. concerned had failed to do so. The Committee directed that action may be taken against the S.D.O. who did not produce the record to Audit after the Departmental Accounts Committee’s meeting. The para was kept pending.

6.3.93: It was explained by Audit that the Administrative Department had not yet produced relevant compaction record/test report of earth work. **The para was kept pending for record verification.**

77. Para I-82: Page 105 – Excess Payment to a Contractor Rs.20,138

Audit had observed: “An over-payment of Rs.20,138 was made to a contractor in June 1987, by allowing him higher lead for transportation of earth.”

15.4.93: The Department contended that payments were made according to approved estimate by the Competent Authority and no excess payment was involved. **The para was accordingly settled.**

78. Para I-83: Page 105 – Excess Payment to a Contractor Rs.359,213

Audit had observed: “An excess payment of Rs.359,213 was made to contractor on account of carriage of trees from points of cutting to the site of work. The payment for carriage of trees from edge of river to the site of work, was again made which was not admissible to him. Further extra labour rate for 12000 cft., stone for which, he was not entitled was given to him.”

15.5.93: The Department was directed to produce original relevant record to Audit for verification. **The para was kept pending.**

79. Para I-84: Page 105-106 – Excess Payment to the Contractors Rs.214,736

Audit had observed: “An over-payment of Rs.214,736 was made to contractors for earth work due to non-deduction of earth available for use.”

15.4.93: The Department stated that final bill of the contractor had been prepared by the Department and necessary deductions pointed out by Audit had been incorporated therein. The payment would be made when funds were received. Subject to verification of the final bill by Audit, **the para was settled.**

80. Para I-85: Page 106 – Excess Payment to a Contractor Rs.64,365

Audit had observed: “Payment was made to a contractor for bed clearance of an old drain at the rate admissible for excavation of a new drain. The work executed was undressed earth, yet the payment was made for dressed earthwork. The extra rate of Rs.18.15% cft. resulted in an overpayment of Rs.64,365 to a contractor.”

6.3.93: It was explained by the Administrative Secretary that the Hudhara Nallah prior to Rehabilitation as a drain in 1985-87 was a natural nallah, out fall into River Ravi. Its reshaping was carried out under U.S. Aid Programme in the supervision of M/S NESPAK. Actually the Department proposed its dredging itself. But in the border belt due to thick growth of plantation/security reasons the work was let out to the contractor in Reach RD 138-194 at the rate of Rs.124% Cft. In Reach RD 194-270 dredging was carried out departmentally by machines for which rate of Rs.332.95% Cft was paid. In Reach RD 270-308 as the dumping areas was not available on right side, as such work was let out to the contractor allowing rate of Rs.124.05% Cft. The contractor concerned employed donkey labour. Had there been no restraints in Reach RD 138-194 and Reach RD 270-308 the whole work would have been executed through machines. Actually the work of excavation was equal to the making of a new drain instead of reshaping it into a drain. The excavation to the extent of 12 feet depth in fact was not a bed clearance for which rate admissible was Rs. 264.70% Cft, but the Administrative Department allowed/paid Rs.124.05% Cft the minimum rate, thus the Department effected a saving. As such, there was no question of overpayment. Nallah was completely silted up and a lot of bed excavation was involved. **The para was kept pending** for considered opinion of the Public Accounts Committee.

81. Para I-86: Page 106 – Excess Payment to Contractor Rs.13,188

Audit had observed: “Shrouding material worth Rs.13,188 was purchased through contractors during 1986-87 by allowing them incorrect rate. This resulted in an over payment of Rs.13,188.”

13.5.93: The departmental contention was accepted by Audit. **The para was settled.**

82. Para II-1: Page 107 – Non-recovery of Government Dues from the Municipal Committee Rs.1,717,429

Audit had observed: “Water worth Rs.1,717,429 was supplied to the Municipal Committee Chakwal between May 1980 to February 1987 and March 1988 to December 1988 but its cost was not recovered from the Committee.”

13.1.93: The Department explained that the matter had been taken up with Chakwal and had been referred to the Finance Department for recovery at source. The Finance Department explained that a summary had been sent to the Chief Minister in this respect. The Public Accounts Committee observed that the deduction may be made at source in installments, if not possible in lump sum. The para was kept pending.

2.1.95: The Administrative Department explained that the amount recoverable from the Municipal Committee, Chakwal on account of the charges of water, supplied to the Municipal Committee from the Dam maintained by the Irrigation and Power Department had been accumulated to Rs.7,744,117 upto 30-6-1994. The Finance Department had proposed for retention of 100% Urban Immoveable Property Tax share of the Municipal Committee but the Chief Minister had desired that the Chief Secretary should hold a meeting and resubmit his recommendations. But the proposed meeting had not yet been held. The Department was directed to peruse the matter with the Chief Secretary. The Public Accounts Committee may also like to write to the Chief Secretary for resolving this matter. The para was kept pending.

12.6.95: The Public Accounts Committee directed that in accordance with the decision of the Chief Secretary dated 29-1-1995 (referred to by the Administrative Department in the working paper) the Administrative Department, should move the Finance Department for taking deduction at source from the Municipal Committee Chakwal. **The para was settled** subject to recovery and its verification by Audit.

83. Para II-2: Page 107 – Non-recovery of Government Dues from Contractor Rs.66,096

Audit had observed: “The Department supplied 165,24,000 gallons of water @ Rs.4 per % o gallons, amounting to Rs.66,096 to another Division from March 1988 to December 1988, but the recovery of Rs.66,096 was not made.”

13.1.93: The Administrative Department stated that an amount of Rs.35,000 had been recovered and the balance amount of Rs.31,096 was recoverable from the Public Health Engineering Department who had promised to make payment as soon as the funds were provided. The para was kept pending.

2.1.95: The recovery of the whole amount had been verified by the Audit. **The para was settled.**

84. Para II-3: Page 107-108 – Non-recovery of Government Dues from a Contractor

Rs.23,500

Audit had observed: “An earnest money of Rs.23,500 of a contractor against a tender of a work accepted, was not forfeited, despite the fact that he refused to undertake the work.”

13.5.93: The Department explained that the lowest tender was higher than the approved rates. In negotiations, the lowest tenderer refused to lower his rates the 2nd lowest tenderer agreed to lower his rates. Thus the contract was awarded to the second lowest. **The para was settled** subject to verification of departmental contention by Audit.

85. Para II-4: Page 108 – Non-recovery of Government Dues from a Contractor Rs.29,400

Audit had observed: “A sum of Rs.29,400 is recoverable from a contractor up to November 1987 for rent of 8 Nos pontoons.”

2.1.95: The Department explained that the contractor had been traced out and the amount would be recovered from him within three months. The Committee directed that the amount be recovered from the contractor, otherwise, it should be recovered from the official concerned within three months, who rented out the pontoons without proper security and advance payment. **The para was kept pending.**

86. Para II-5: Page 108-109 – Non-recovery of Government Dues from a Contractor Rs.22,969

Audit had observed: “An expenditure of Rs.22,969 was incurred on the running of a tractor, trolley and water tanker for the maintenance of an inspection road and charged to a Canal rehabilitation work, undertaken by a contractor. The expenditure was not admitted by the consultants (M/S NESPAK) on the grounds that the maintenance of the inspection road, was the responsibility of the contractor executing the rehabilitation work. The amount was withdrawn from the work and charged to “Miscellaneous P.W.Advance. The recovery of irregular expenditure was still awaited.”

2.1.95: As the recovery had been verified by Audit, **the para was settled.**

87. Para II-6: Page 109 – Non-recovery of Government Dues from Contractor Rs.38,931

Audit had observed: “An amount of Rs.38,931 on account of work executed at the risk and cost of the original contractor was lying irrecoverable since long.”

15.4.93: Recovery of Rs.10,000 had already been effected and the balance amount was being recovered regularly in monthly installments. The Department was directed to get the recoveries verified by Audit and the amount of para would be reduced accordingly. **The para was kept pending** for completion of recovery.

88. Para II-7: Page 109 – Non-recovery of Government Dues from a Contractor Rs.50,170

Audit had observed: “Pond area was auctioned for Rs.63,200 but an amount of Rs.13,030

only was received from the bidders during December 1987 and March 1988 and the balance amount of Rs.50,170 was not recovered.”

15.5.93: The Department informed the Committee that recovery of Rs.32,170 had been effected and got verified by Audit leaving a balance of Rs.18,000. It was further stated that the Deputy Commissioner, Jhang had been requested to effect recovery of Rs.18,000 as arrears of land revenue from the concerned Zamindar. Audit pointed out that 25% of the total amount was required to be deposited before the bidder took possession of the pond area. The Finance Department also raised the objection as to why the schedule could not be adhered to as per bid agreement for the pond area. The Department accepted the default pointed out by Audit and also agreed with the contention of the Finance Department.

The Committee directed that the Department should remain careful in future and should strictly adhere to the prescribed procedure. It was further directed that the matter should be pursued with the Deputy Commissioner, Jhang for earliest recovery of the balance amount of Rs. 18,000. The para was reduced to Rs.18,000 as against Rs.50,170. **The para was kept pending.**

89. Para II-8: Page 109 – Non-recovery of Government Dues from a Contractor Rs.3,530,705

Audit had observed: “Earth was got executed through contractor @ of Rs.460 per %0 cft instead of departmental machinery @ of Rs.365 per %0 cft and the loose earth was not dressed. Thus a loss of Rs.3,530,705 was sustained by the Government.”

15.5.93: The Administrative Secretary was directed to probe into the entire matter within one month and give his consideration to the Committee. The matter of single tender and variation in rates may also be looked into. **The para was kept pending.**

90. Para II-9: Page 110 – Non-recovery of Government Dues from a Town Committee Rs.67,393

Audit had observed: “Government revenue worth Rs.67,393 on account of water charges, was outstanding against a Town Committee since long.”

15.4.93: Full recovery of Rs.67,392 having been effected from the town committee on account of water charges and verified by the Audit, **the para was settled.**

91. Para II-10: Page 110 – Non-recovery of Government Dues from a Town Committee Rs.57,600

Audit had observed: “Water was supplied to the Town Committee Chistian but the cost of the water amounting to Rs.57,600 supplied from January 1988 to December 1988, was not recovered from the Committee.”

15.4.93: Actual amount of Rs.48,660.48 instead of Rs.57,600 had already been effected and verified by Audit. **The para was settled.**

92. Para II-11: Page 110 – Non-recovery of Government Dues from a Contractor Rs.49,024

Audit had observed: “Surplus earth measuring 80326 cft, obtained from the excavation of foundation, was not deducted from the earth, brought from outside borrowpits and paid at Rs.610.31 per %0 cft. This resulted in non-recovery of Rs.49,024 from a contractor.”

15.4.93: After verification by Audit the amount of para had been increased to Rs.126,857 instead of Rs.49,024. The Department wanted to further investigate into this matter. **The para was kept pending.**

93. Para II-12: Page 111 – Non-recovery of Government Dues from a Contractor Rs.123,843

Audit had observed: “Government sustained a loss of Rs.123,843 due to auction of trees for Rs.65,500 against the reserve price of Rs.189,343 assessed by the Forest Department and confirmed by the S.E.”

15.4.93: The Department explained that the trees had since been auctioned and, the bid money recovered, **the para was settled.**

94. Para II-14: Page 111, Non-recovery of Government Dues from a Contractor Rs.243,128 Including Rs.1,64,061

Audit had observed: “A sum of Rs.243,128 including Rs.164,061 relating to P.O.L issued to a Govt; vehicle, was shown recoverable by the Superintending Engineer in the L.P.C. of a Sub-Engineer issued at the time of his transfer from one circle to another during 1988. The amount has not been recovered so far.”

13.1.93: The Public Accounts Committee directed the Department to complete the departmental action within one month and fix responsibility against the defaulters. **The para was kept pending.**

95. Para II-15: Page 112 – Non-recovery of Water Charges from Government Servants Rs.238,797

Audit had observed: “Government was put to a loss of Rs.238,797 due to non-recovery of water charges from Government servants during 1979-80.”

12.5.93: The Department stated that record relating to the period from 1-7-1969 to 1979 was not available. From 1979 onwards the amount recoverable as calculated by the

Department was Rs.151,140. The upto date recovery made was Rs.29,120. The Department further stated that out of the remaining amount, Rs.8,905 was recoverable from outsiders, Rs.11,370 from officers who had since been expired, and Rs.26,035 related to un-occupied accommodation. Therefore, total amount of Rs.46,310 on these three accounts may be exempted. The Committee directed that the Department may get this amount of Rs.46,310 written off by the Competent Authority. The Department further stated that an amount of Rs.75,710 was recoverable from the serving officials and the recovery from them was being pursued. **The para was kept pending.**

96. Para III-I: Page 113 – Loss to Government Rs.3,956,725

Audit had observed: “16,61,098 cft. stone was obtained from Sikhawali quarry instead of Baghanwala quarry, which was nearest to the site of work. As such an extra expenditure of Rs.3,956,725 was incurred in July 1988, due to excessive lead of carriage. In this connection, the Government issued instructions that the stone must be obtained from Baghanwala quarry, being nearest to the division. The Government was therefore, put to a loss of Rs.3,956,725.”

13.5.93: The Administrative Secretary was directed to re-check the whole case and give his considered opinion to the Committee. **The para was kept pending.**

97. Para III-2: Page 113 – Loss to Government Rs.36,800

Audit had observed: “Chemicals worth Rs.36,800 were required to be used within three months, as required under existing orders but these were not utilized within 1.5 years and were spoiled. Thus a loss of Rs.36,800 was sustained by the Government.”

15.5.93: Accountal/consumption of material having been verified by Audit, **the para was settled.**

98. Para III-3: Page 114 – Loss to Government on Account of Loose Dumping of Stone Rs.1,822,256

Audit had observed: “A loss of Rs.1,822,256 was sustained by the Government on account of loose dumping of stone, without filling in the crates and tarungers.”

15.5.93: Audit’s objection was that loose dumping of stone should have been done according to the schedule. The Department explained that the Competent Authority had approved loose dumping of stone which was justified as per site conditions and which saved a lot of Government money. Audit agreed to the explanation of the Department. **The para was settled.**

99. Para III-4: Page 114 – Loss to Government Rs.27,394

Audit had observed: “Loss of Rs.27,394 was sustained by the Government on account

of fruit trees and Khunders etc. not auctioned annually in contravention to Government order.”

15.5.93: The Department informed the Committee that notices for the auction of fruit trees had been issued but no bidder came forward to participate in the auction and submitted to show the auction notices, alongwith dates, to Audit. The explanation of the Department was accepted and **the para was settled.**

100. Para III-5: Page 114 – Loss to Government Rs.442,400

Audit had observed: “Dead and fallen trees worth Rs.442,400 were lying undisposed off and thus chances of pilferage or loss cannot be ruled out.”

15.4.93: The para needed exhaustive discussion so **it was kept pending.**

101. Para III-6: Page 114-115 – Loss to Government due to Unnecessary Purchase of Lining Kits Rs.244,320

Audit had observed: “96 Lining Kits worth Rs.244,320 were un-necessarily purchased in December 1984 while 20 Nos. were already available in the stock since March 1978. This resulted in an unnecessary utilization of Govt. funds and accumulation of material, as none of them was utilized or issued to any other division. Thus whole of the expenditure was wasteful.”

13.1.93: The explanation of the Department was accepted and **the para was settled.**

102. Para IV-I: Page 116 – Non-accountal of Material/Stores Rs.258,600

Audit had observed: “Material worth Rs.258,600 was neither taken on any record nor its consumption was shown in any measurement book.”

13.5.93: The Department explained that inquiry had been finalized. The record was not produced at the time of Audit, otherwise it was complete. The explanation of the Department was accepted and **the para was settled.**

103. Para IV-2: Page 116 – Non-accountal of Material/Stores Rs.150,000

Audit had observed: “Material costing of Rs.150,000 was purchased and charged to the works. The material was neither consumed on any work nor accounted for. This resulted in misappropriation of the material worth. Rs.149,820.”

6.3.93: The material has been taken on stock/T & P Register. **The para was kept pending** for verification of record.

104. Para IV-3: Page 116 – Non-accountal of Material/Stores Rs.899,690

Audit had observed: “Different articles amounting to Rs.899,690 were shown as issued in the stock register, by quoting fictitious Nos. and dates of indents. These articles were neither used on any work nor their disposal was shown in the accounts record from which it is evident that these articles, amounting to Rs.899,690 were misappropriated.”

13.1.93: The Committee directed that the departmental action may be completed within one month. **The para was kept pending.**

105. Para IV-4: Page 117 – Non-accountal of Material/Stores Rs.302,740

Audit had observed: “Wood of trees, cut and removed, was neither taken on Stock Register nor consumed. Thus a loss of Rs.302,740 was sustained by the Government.”

15.5.93: The Department explained that all the trees had been taken on stock accounts but auction could not be held earlier. The date for auction of the trees had now been fixed for 27-5-1993. **The para was kept pending.**

106. Para IV-5: Page 117 – Non-accountal of Material/Stores Rs.490,400

Audit had observed: “Dead and fallen trees worth Rs.490,400 were lying undisposed off since long and therefore, the chances of their pilferage or misappropriation cannot be ruled out, due to delay action.”

15.4.93: The wood in question had been auctioned. The Committee **settled the para** subject to the Audit observation that handing/Taking over of Stock should be countersigned by the senior officers.

107. Para IV-6: Page 117 – Non-accountal of Material/Stores Rs.216,000

Audit had observed: “On completion of a work in February 1988 material worth Rs.216,000 found surplus, in Material at Site Account of Work, was neither taken back on stock nor transferred to any other work according to Article 130 of Account Code Volume-III.”

2.1.95: The Accountal of material had been verified by Audit. **The para was settled.**

108. Para IV-7: Page 118 – Non-accountal of Material/Stores Rs.28,764

Audit had observed: “ Tools and plant articles issued to the concerned sub-Engineer, were no taken in his tools & Plant register. Thus a loss of Rs.28,764 was sustained by the Government.”

15.5.93: The Department was directed to produce relevant record to Audit within

fifteen days for verification. **The para was kept pending.**

109. Para V-I: Page 119 – Theft of Stores/Material Rs.231,900

Audit had observed: “Trees of different kinds and girth costing Rs.231,900 in canal plantation, were stolen during 1987-88. Theft of these trees was shown in the Plantation Register. No departmental enquiry was conducted by the Department in this regard. Further, this amount was not placed in “Miscellaneous P.W. Advance” in order to effect recovery from the person found responsible.”

12.5.93: The Department explained that recovery had been imposed on the concerned Sub Engineer was at 1/3rd of his salary commencing from 4/93. **The para was kept pending,** till recovery of full amount.

110. Para V-2: Page 119 – Theft of Stores/Material Rs.19,480

Audit had observed: “A Sub-Engineer reported un-authorized cutting and theft of 17 shisham trees worth Rs.19,480 in March 1988. The theft case was processed under section 70 of the Canals and Drainage Act, 1873 and responsibility for the loss was fixed against three villagers in June 1988.”

12.5.93: The Department explained that the case had been decided by the Court against the Department and the loss may have to be written off. **The para was kept pending.**

111. Para V-3: Page 119-120 – Theft of Stores/Material Rs.125,000

Audit had observed: “Un-authorized cutting of 25 Nos Shisham trees of 4 to 6 feet girth by a contractor in collaboration with a Sub Engineer, was reported in June 1987 by a beldar. An enquiry officer was deputed to investigate the issue. The Sub Engineer concerned was asked to produce the Plantation Register before him (enquiry officer), but he did not produce the relevant record. Now the matter was under enquiry by the Department itself. The un-authorized cutting of the trees resulted in a loss of Rs.125,000 to the Government.”

12.5.93: An inquiry had since been concluded against the Sub-Engineer. The authorized officer had submitted his report to the Authority who had fixed date of personal hearing. The Committee directed the Department to expedite the matter and **the para was kept pending.**

112. Para V-4: Page 120, Theft of Stores/Material Rs.31,300

Audit had observed: “24 Nos. trees worth Rs.31,300 were stolen by some persons. The loss was neither reported to Audit nor was placed in the schedule of “Miscellaneous P. W. Advances” to watch its recovery.”

12.5.93: The Department explained that inquiry was in progress and new inquiry officer had recently been appointed. The Committee directed that the proceedings must be finalized within three months, positively. **The para was kept pending.**

113. Para V-5: Page 120 – Theft of Stores/Material Rs.163,500

Audit had observed: “The Government was put to a loss of Rs.163,500 due to theft of trees. The cases of thefts were reported to the Police but no departmental enquiry was conducted to fix responsibility for the recovery of loss.”

13.1.93: The Department explained that the case of theft of trees valuing Rs.163,500 was reported to the Police but no results of the investigation had been intimated. The Committee directed that the departmental inquiries/action should also be finalized simultaneously. The amount of the para may also be reconciled. The para was kept pending.

2.1.95: The Administrative Department explained that the departmental inquiry was held. No officer/official was held responsible for the theft of stores/material. The Committee directed that fresh inquiry into the loss should be held and the amount recovered from the employees under whose charge the loss had occurred.

The Irrigation and Power Department was directed to supply to the PAC the copies of the reports of theft cases sent by them to the police. So that the Home Department may be asked about the action taken by it particularly with reference to the instructions given by the PAC through a D.O. letter issued in 1991. **The para was kept pending.**

114. Para V-6: Page 120-121, Theft of Stores/Material Rs.107,000

Audit had observed: “Trees worth Rs.107,000 were stolen. The loss was neither reported to the Police nor to Audit as per rules. No departmental enquiry was conducted to fix responsibility for the loss.”

13.1.93: The Department was directed by the Public Accounts Committee to complete action within one month. **The para was kept pending.**

115. Para V-7: Page 121 – Theft of Stores/Material Rs.30,000

Audit had observed: “Shisham, pipal and beri trees (total 22 numbers) worth Rs.30,000 were illegally cut down by a villager and a case for theft, was got registered against him with the Police in June 1987. The results of Police investigation and recovery of the loss was, however, still awaited. The loss was not reported to Audit nor the amount placed in “Misc. P.W.Advance” to watch its recovery.”

13.1.93: Subject to write off and its verification by Audit, **the para was settled.**

116. Para V-8: Page 121 – Theft of Stores/Material Rs.39,440

Audit had observed: “Material worth Rs.39,440 was stolen from Tubewells during 1987-88. The cost of the material was neither placed in the “Miscellaneous Public Works Advances” nor any departmental enquiry was conducted.”

2.1.95: The Secretary Irrigation Department explained that Rs.8,890 had been recovered. The remaining theft cases had been registered with the police. In the departmental inquiry, no official had been held responsible for the theft. The case had come to the Administrative Secretary for write-off but he had returned it to the Chief Engineer with certain observations. The Committee took a serious view of the fact that the Department took such a long time in taking action and directed that the officers responsible for delayed action may be proceeded against. The Committee further directed that the recovery be made from the officials from whose charge the material was stolen. The disciplinary action should be finalized within three months. **The para was kept pending.**

117. Para V-9: Page 121 – Theft of Stores/Material Rs.30,610

Audit had observed: “Trees worth Rs.30,610 were cut down and stolen by unknown persons during 1985-86 to 1986-87. No departmental enquiry was conducted.”

2.1.95: The Administrative Secretary explained that no theft case had been registered with the police, therefore, the officers/officials responsible for the theft of trees should be proceeded against under E & D Rules. The Committee directed that disciplinary proceedings and recoveries be finalized within three months. **The para was kept pending.**

118. Para V-10: Page 122 – Theft of Stores/Materials Rs.45,070

Audit had observed: “Spare parts of Tubewells, motor controlling units and stock articles worth Rs.45,070, were stolen from tubewells’ sites during the period from November 1988 to February 1989. Theft reports were lodged with the Police but copies of F.I.R.’s and results of police investigations were still awaited.. The concerned Tubewell Operators were, however, held responsible for the thefts in the preliminary enquiry reports of the sub-divisional officers and they recommended to effect recoveries from them, but no recovery has been made.”

13.1.93: The Department was directed to pursue the Police cases vigorously. **The para was kept pending.**

119. Para V-11: Page 122 – Theft of Stores/Material Rs.46,500

Audit had observed: “Shisham and Kikar trees worth Rs.46,500 were stolen from canal sides in February 1988, December 1988 and January 1989. Reports were lodged with the police but copies of F.I.R.’s and results of investigations, were still awaited. The Department neither conducted any departmental enquiry to determine the responsibility nor

the case reported to Audit as per rules.”

15.5.93: It was pointed out to the Committee by Audit that the Department had failed to finalize the case of theft during a period of about five years. The Department stated that they had decided to proceed against such officers/officials under E and D Rules, during whose tenure the theft took place and who failed to lodge complaint with the police. The Department tendered categorical assurance to the Committee that the matter would be finalized within three months. **The para was kept pending.**

120. Para V-12: Page 122 – Theft of Stores/Material Rs.48,200

Audit had observed: “Copper coils etc. valuing Rs.48,200 were stolen from different tubewells during the period from April 1988 to February 1989.”

13.1.93: The para was settled subject to write off and its verification by Audit.

121. Para V-13: Page 123 – Theft of Stores/Material Rs.21,192

Audit had observed: “Spare parts of tube-wells worth Rs.21,192 were stolen during 1982-83 to 1988-89. No departmental enquiry was conducted.”

2.1.95: It was explained by the Administrative Department that the amount of the para had been reduced to Rs.18,700 by Audit. The inquiry into the matter had been completed and no official was held responsible for the loss. Therefore, the amount had been written off. **The para was settled** subject to verification of the write off sanction by Audit.

122. Para V-14: Page 123 – Theft of Stores/Material Rs.15,383

Audit had observed: “ Scrap material worth Rs.15,383 was stolen. Neither the case was investigated nor responsibility fixed.”

15.5.93: The Department informed the Committee that out of total amount of Rs.15,383 pertaining to the theft of scrap material, a recovery of Rs.18,300 had been effected from the three concerned Tubewell Operators leaving a balance of Rs.7,083. The balance amount was being recovered from the defaulters at the rate of one-third of their pay every month. The Committee directed that the Department should get the recovery verified by Audit. **The para was kept pending.**

123. Para V-15: Page 123 – Theft of Stores/Material Rs.124,100

Audit had observed: “Theft of trees worth Rs.124,100 from various canal sites during April, October, November 1988 and February 1989, was reported by the departmental officials/officers. Only one theft case was lodged with the Police, and the remaining cases were neither reported to the Police nor any departmental action was taken to investigate the matter. Moreover, the loss was not reported to Audit as required under the rules.”

15.5.93: The Committee directed that the cases of recovery be pursued properly. **The**

para was kept pending.

124. Para V-16: Page 124 – Theft of Stores/Material Rs.76,000

Audit had observed: “Theft of trees worth Rs.76,000 was reported in December 1988. The case was neither registered with the Police nor intimated to Audit as required under the rules. No departmental enquiry was conducted to investigated the matter”.

15.5.93: The Department explained to the Committee that with regard to the theft of stores worth Rs.76,000, Mr. Allah Bakhsh, Sub Engineer, had been held responsible according to the departmental inquiry conducted by the senior most staff officer but the defaulter had appealed to the Chief Engineer against this decision. The Sub-Engineer concerned also produced a certificate from the Forest Department to the Chief Engineer that all the trees were available. The Chief Engineer, therefore, ordered a denovo inquiry. The Finance Department objected as to why it took the Department three years to find out that the trees had been transferred to the Forest Department. The Chief Engineer assured the Committee that denovo inquiry would be expedited. **The para was kept pending.**

125. Para V-17: Page 124 – Theft of Stores/Material Rs.60,000

Audit had observed: “Theft of trees and damage to canal side plantation was noticed by the departmental officials/officers during November, December, 1988 and February 1989. The loss of Rs.60,000 was neither reported to the Police nor to Audit as required under the rules. No departmental enquiry was conducted to fix responsibility.”

15.5.93: It was brought to the notice of the Committee by Audit that, after verification from the relevant record, the para stood reduced to Rs.18,526 as against a total amount of Rs. 60,000. According to departmental explanation this amount was due from the Highways Department. The Committee directed that the Department should pursue the case with the Highways Department for recovery of the amount. **The para was kept pending.**

126. Para V-18: Page 124 – Theft of Stores/Material Rs.26,820

Audit had observed: “Theft of trees worth Rs.26,820 by a contractor and officials of the Highways Department was reported by a Sub-Engineer in February 1988. The Police did not register the case when reported by the concerned Sub-Divisional Officer. The loss was not reported to Audit as required under the rules. The matter was taken up at a higher level with the Police authorities as well as with the Highways Department. Audit is unaware of whether or not the case was finally registered by the Police or recovery of the loss was made by the Highways Department.”

15.5.93: Audit informed the Committee that the amount of Rs.26,820, pertaining to the theft of trees, was due from the Highways Department but there was no progress inspite of the passage of so many years. The Department explained that the matter had been taken up with the concerned XEN of the Highways Department but inspite of repeated reminders

he had not responded. Now, higher authorities in the Highways Department would be approached for the recovery of the dues. The Finance Department argued that it appeared as if proper vigilance was not exercised by the staff responsible for the safety of the trees. The Committee agreed with the Finance Department and observed that obviously the trees had been pilfered by the contractor. The Department was directed to conduct a thorough inquiry into the matter and submit final report within two months. **The para was kept pending.**

127. Para V-19: Page 125 – Theft of Stores/Material Rs.183,000

Audit had observed: “Theft of trees worth Rs.183,000 was reported by a Sub-Divisional Officer in September and October 1988. A report was lodged with the Police but the loss was neither reported to the higher authorities nor to Audit. Moreover, no departmental enquiry was conducted to fix the responsibility for the recovery of loss.”

12.5.93: The Department stated that partial amount was recovered and the balance recovery was being pursued. The Committee directed the Department to pursue this matter at personal level and get the recovered amount verified by Audit. **The para was kept pending.**

128. Para V-20: Page 125 – Theft of Stores/Material Rs.45,000

Audit had observed: “The Government sustained a loss of Rs.45,000 due to theft of 39 trees.”

15.4.93: The Department assured the Committee that recoveries were being effected. **The para was kept pending.**

129. Para VI-1: Page 126 – Shortage of Stores/Material Rs.144,344

Audit had observed: “Material worth Rs.144,344 was found short against a Sub Engineer on his transfer.”

13.5.93: The Department explained that on the basis of first inquiry, recovery was imposed on the accused. On his appeal second inquiry was ordered and would be completed within one month. **The para was kept pending** and the Department was directed to provide the second inquiry report to the Public Accounts Committee and Audit.

130. Para VI-2: Page 126 – Shortage of Stores/Material Rs.79,074

Audit had observed: “Material worth Rs.79,074 was found short against the Sub Engineer but neither any action was taken against the defaulters nor the Audit office was informed as required under the rules.”

13.5.93: The Department explained that inquiry had been finalized. The shortage was not established in one case but established in the second case. On appeal of the accused second inquiry had been ordered and would be completed within one month. **The para was**

kept pending.

131. Para VI-3: Page 120 – Shortage of Stores/Material Rs.18,600

Audit had observed: “Stock Material worth Rs.18,600 was found short against a Sub-Engineer in October 1983. The shortage was not reported to any agency of the Government.”

13.5.93: The accountal of the missing articles had been verified. **The para was settled.**

132. Para VI-4: Page 126-127 – Shortage of Stores/Material Rs.35,857

Audit had observed: “Shortage of 4319 cft. stone worth Rs.35,857 was found short against a Sub-Engineer during transfer of his charge in March 1988. The shortage was neither reported to Audit nor placed in “Miscellaneous P.W.Advances” to watch its recovery.”

12.5.93: The Department explained that the departmental inquiry against both the outgoing and incoming Sub Engineers would be completed within two months. **The para was kept pending.**

133. Para VI-5: Page 127 – Shortage of Stores/Material Rs.77,772

Audit had observed: “Shortage of 35 Nos dead trees and 1340 cft. fuel wood worth Rs.77,772 was reported by the S.D.O. during physical verification of stock. The Department neither conducted any departmental enquiry nor reported loss to Audit.”

13.1.93: It was explained by the Department that departmental proceedings were near finalization. **The para was kept pending.**

134. Para VI-6: Page 127 – Shortage of Stores/Material Rs.39,769

Audit had observed: “Shortage of stock articles worth Rs.39,769 were pointed out at the time of handing over charge of a Sub-Engineer.”

6.3.93: It was pointed out by the Administrative Department that for articles misappropriated, a theft case was got registered with the police. As most of the material appeared to have been taken away by Army personnel the Department could not be held responsible for the whole loss. **The para was kept pending** for write off sanction and its verification by Audit.

135. Para VI-7: Page 128 – Shortage of Stores/Material Rs.76,000

Audit had observed: “The government sustained a loss of Rs.76,000 due to shortage of 152 trees.”

15.4.93: During a joint check report no shortage of trees was reported. Shortage of

Rs.3,500 was only reported. The Committee directed that the amount of the para be reduced to Rs.3,500. **The para was kept pending for recovery.**

136. Para VII-I: Page 129, Unauthorized and Unjustified Expenditure Rs.29,625

Audit had observed: “Payment for 13862 cft; earthwork was not admitted by the consultants and was withheld from the third running bill of the contractor paid in May 1988. In the fourth and final bill paid in September 1988, the withheld amount was released to the contractor without consent and approval of the consultants. This resulted in an irregular payment of Rs.29,625 to a contractor.”

15.5.93: The Department assured the Committee that the disputed excess payment had been withheld from the final bill of the contractor. Subject to verification by Audit, **the para was settled.**

137. Para VII-2: Page 129 – Unauthorized and Unjustified Expenditure Rs.152,496

Audit had observed: “Items of dewatering by pump and compaction of earth in a pond, were got executed in contravention of provisions of PC-I and estimate, cleared by the authorized consultants. This resulted in an irregular payment of Rs.152,496 to a contractor.”

15.4.93: The Administrative Secretary informed the Committee that payment had been correctly made as per Technically sanctioned estimate by the Competent Authority. The Committee **settled the para.**

138. Para VII-3: Page 129-130 – Unauthorized and Unjustified Expenditure Rs.17,850

Audit had observed: “ The item of un-loading of earth work was measured and paid twice to a contractor which resulted into double payment of Rs.17,850.”

15.4.93: Audit confirmed that the record had proved that no double payment was made to the contractor. **Accordingly, the para was settled.**

139. Para VII-4: Page 130 – Unauthorized and Unjustified Expenditure Rs.1,114,033

Audit had observed: “Contractors were paid for 3,22,783 cft. filling stone in wire crates and 1037,508 sft. Weaving wire crates. As per approved plan a wire crate of 66Sft. was to hold 36 cft. pitching stone. Therefore, for 3,22,783 cft. filling stone in wire crates 5,91,751 sft. weaving wire crates was admissible instead of 10,37,508 sft. Thus 4,45,757 sft. waving wire crates, was measured in excess for which payment of Rs.1,114,033 was made to the contractors. The quantity of 4,45,757 sft. waving wire crates, was not used on the work and the agreements of the contractors were finalized. Therefore, the expenditure of Rs.1,114,033 incurred on the work was a wasteful expenditure.”

13.5.93: The Department was directed to get its contention verified by Audit that at the time of purchase the wire was actually needed and later on scheme was abandoned and the wire would be consumed on other projects. **The para was kept pending.**

Annexure Paras

140. Para 126(10)(1965-66): Page 233 – Serial 1, Shortage of Store Rs.8,277

13.5.93: The entire amount of the para had been recovered and verified by Audit. **The para was settled.**

141. Para 95(8)(1982-84): Page 233 – Serial 2, Loss to Government Rs.9,929

13.5.93: **The para was settled** subject to the write off of the amount of Rs.9,929 by the Competent Authority and its verification by Audit.

142. Para 17(a)64(1956-57): Page 233 – Serial 3, Shortage of Stock Rs.8,742

13.5.93: The entire amount of the para had been recovered and verified by Audit. **The para was settled.**

143. Para 17(a) 18 (8)(1958-59): Page 233 – Serial 4, Shortage of Stock Rs.19,622

13.5.93: **The para was settled** subject to verification of recovery of Rs.2,875.44 and further recovery/write-off of Rs.16,745.63 and its verification by Audit.

144. Para 17(a) 157 (i)(1967-68): Page 233 – Serial 5, Shortage of Stock Rs.13,743

13.5.93: The write off sanction of Rs.15,415 and recovery of the amount of Rs.967 had been verified by Audit. **The para was settled.**

145. Para 97(13)(1982-83): Page 233 – Serial 6, Misappropriation of Stock Rs.18,870

13.5.93: It was reported to the Committee that the case of recovery of Rs.18,870 was reported to the SMLA Sub-Sector-4 in 1979 against the absconding Sub-Engineer whose whereabouts were not known. As the official was reported to be living in Lahore, the Department assured to pursue the matter with the DC/SP concerned vigorously to effect recovery of Rs.18,870 from the accused Sub-Engineer. **The para was kept pending** for recovery.

146. Para 51(7)(1981-82): Page 233 – Serial 7, Loss to Government Rs.64,740

13.5.93: The theft cases as stated by the Administrative Secretary were reported to the Police but progress of the investigations had not yet been reported to the Department. As a result of the departmental inquiry concerned operators had not been found guilty of thefts, therefore, no responsibility could be fixed on them. **The para was settled** by the Public Accounts Committee subject to write off of the entire amount by the Competent Authority and its verification by Audit.

147. Para 97(2)(1982-83): Page 233 – Serial 8, Shortage of Stock Rs.83,907

13.5.93: The Committee considered the explanation of the Department and **the para was settled.**

148. Para 50(26)(1981-82): Page 233 – Serial 9, Shortage of Stock Rs.167,481

15.4.93: Mr. Muhammad Sarwar Javaid, Sub Engineer responsible for store shortage had been retired under MLR No.114 and entry for recovery had been made in his pension papers by the Department for recovery. Pension had not yet been sanctioned. **The para was kept pending** for recovery.

149. Para 89(10)(1983-84): Page 233 – Serial 10, Shortage of Store Rs.21,597

13.5.93: The Department explained that 2nd inquiry against the accused was in process and would be completed within three months. **The para was kept pending.**

(Commercial Audit)**Mughalpura Irrigation Workshops Division Mughalpura****150. Para 3(xvii): Page 7 – Irrigation Workshops Division Mughalpura**

30-5-02: The Committee noted the same as it pertained to non-compilation of accounts by the said organisation.

151. Para 171: Page 349 – Working Results

With reference to the working results, Audit had suggested : “The workshop earned a net profit of Rs.0.249 million during the year 1987-88 as compared with a net loss of Rs.4.239 million during 1986-87. Though the workshop has earned profit during the year under review yet strenuous efforts are required to be taken to boost up the sales/execute more jobs etc and also to curtail the expenses, and reduce accumulated loss of Rs.17.125

million as on 30.6.1987.”

30.1.96: Audit pointed out that Irrigation Workshop Mughalpura was continuously running into loss to the extent of Rs.0.249 million in 1987-88, Rs.4.550 million in 1988-89, Rs.6.911 million in 1989-90, Rs.9.591 million in 1990-91 and Rs.6.943 million in 1991-92. The PAC directed that the Administrative Department should make a comprehensive study about the present requirements and usefulness of the workshop and meanwhile effective measures be taken to minimize the expenditure. **The para was kept pending.**

152. Para 172: Page 350 – Advances for Jobs and Increase in Closing Balance

Audit had observed: “The estimate for each job/work should be prepared and the estimated amount recovered in advance from the Department/organization requiring the work to be done. This safe procedure was however, not adopted, resulting into abnormal increase of the closing balance of work-in-progress from Rs.4.186 million in the year 1986-87 to Rs.11.203 million. According to Article 176 of Account Code Vol-III, the amount on account of estimated cost of jobs recovered in advance should be kept in deposit and adjusted on completion of job in accordance with Article 169 *ibid* read with para (1)(3) section of Financial Accounts of workshop rules.”

30.1.96: The Department explained that the closing balance of work-in-progress indicated the receivables from other divisions of the Department or from other Departments and they were unable to clear their arrears from the current budgetary allocations. The PAC directed that efforts may be made, through the Finance Department to make recoveries at source. **The para was kept pending.**

153. Para 173: Page 350 – Non-disposal of Surplus Stores

Audit had observed: “Stores valuing Rs.11,012,785 were available, stock worth Rs.18,025,325 was purchased during the year 1987-88 raising the value of stock from Rs.11,012,785 to Rs.29,038,110. Stores worth Rs.16,924,515 were credited to stock. After adjusting the figures “credit to stock” the net balance of stock as on 30.6.88 works out to Rs,12,113,595 which includes cost of obsolete/surplus stock worth Rs.2,238,070 caused due to indiscriminate purchases, loose financial control, defective management and transfer of stock from stores division. The disposal of surplus stores is stressed upon as required under the rules.”

30.1.96: The Department explained that efforts were being made to minimize surplus stores. The explanation of the Department was accepted and **the para was settled.**

154. Para 174: Page 350 – Physical Verification of Stock

Audit had observed: “The physical verification of stock during the years had not been conducted as required under the rules. Moreover, store worth Rs.1,100,810 was purchased in excess of requirement as the same could not be utilized during 1987-88. This shows that purchases were made just to utilize the funds. This needs justification.”

30.1.96: The Audit had verified the certificate of physical verification of stock. **The para was settled.**

155. Para 175: Page 351 – Non-capitalization of Machinery

Audit had observed: “It has also been noticed that machinery costing Rs.27,396,739, has not been capitalized although it was being pointed out regularly for the last many years. Out of this machinery some machinery was transferred to the newly created Mechanical Division, Lahore vide S.E. letter No.6179-84/GEC dated 17.7.84 (actually on 25.7.84) without capitalizing the value. In this way machinery valuing millions of rupees remained un-capitalized during the last many years.”

30.1.96: The Department explained that most of the machinery had been transferred to the Mechanical Division, while the machinery retained in the workshop had been capitalized. **The para was settled** subject to verification by Audit.

156. Para 176: Page 352 – Non-accountal of Machinery

Audit had observed: “The machinery transferred to the newly created Division is also without value which will continue to be un-capitalized in the accounts of that Division. Similarly new machinery worth millions of rupees was received under up-gradation of M.I. W. shop programme during 1985-86 but neither value has been assessed nor the same has been capitalized. Thus due to non-capitalisation of machinery costing millions of rupees the proforma account under review does not depict true picture of accounts.”

30.1.96: The Department explained that Audit observation had been complied with. **The para was settled** subject to verification.

157. Para 177: Page 351 – Non-maintenance of Registers of Rent of Buildings

Audit had observed: “According to rule 9 (VIII)B of workshop rules, a register of rent

of buildings and lands should be maintained by the workshop division. The register produced, contains entries made during the year 1945 to 1950. Since then no addition and alteration has been noted, inspite of the fact that many original works were under-taken. A sum of Rs.58.61 lacs has been incurred upto 30.6..88 on the up-gradation of M.I.W shop in which new shops have been added. The registers may be updated and the cost of new building and machinery may be capitalized.”

30.1.96: The Audit observation had been complied with. **The para was settled.**

158. Para 178: Page 352 – Sundry Debtors (Misc., Advance)

Audit had observed: “The amount due from Sundry Debtors is Rs.7.399 million as against the balance of Rs.4.346 million during 1986-87. Thus there is increase of Rs.3.053 million in Sundry debtors as compared with balance of last years, which is not proper. The amount recoverable is very heavy which required immediate steps to effect recoveries, as with the passage of time the same may become irrecoverable. The matter may please be taken with the higher authorities under intimation to Audit.”

30.1.96: The Department was directed by the PAC that they should discuss the matter of recovery with the Finance Department if the amount could be recovered at source. **The para was kept pending.**

159. Para 179: Page 352 – Sundry Creditors (Deposits)

Audit had observed: “There is heavy balance of Rs.18.503 million under this head as shown in the balance sheet. The balance may please be reduced by clearing the outstanding items for more than 3 years by crediting to Miscellaneous Revenue as required under the rules.”

30.1.96: **The para was settled** subject to recovery/adjustment and its verification by Audit.

160. Para 180: Page 352 – Sundry Creditors (Purchase)

Audit had observed: “In the proforma Account the figures shown against sundry Creditors (Purchases) is Rs.1.23 million which is also very heavy. The justification for non-clearance may please be investigated and efforts made to clear the outstanding balance under intimation to Audit.”

30.1.96: **The para was settled** subject to recovery/adjustment and its verification by Audit.

161. Para 181-187: Page 355-363 – Balance Sheets

30.5.02: The Committee noted the Balance Sheets reflected in the said paras.

Lahore High Court

Overview

Total Paras

3

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 1	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 11.5	1
Paras Pended 2	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Civil: 11.5.1	1
		Annexure Para: 40	1

Discussed on 14 March 1993 and 30 May 2002.

(Civil Audit)

1. Para 11.5: Page 106 – Negligence Rs.26,050

30.5.02: The Committee noted the para as it contained summary of one case of negligence with reference to the undermentioned para 11.5.1.

2. Para 11.5.1: Page 106 – Non-deposit of Court Fine into Government Treasury Rs.26,050

Audit had observed: “The stated amount realized from the accused on account of fine imposed by the court of Additional District and Session Judge, Bhalwal was not deposited into the Government Treasury.”

14.3.93: The Department stated that an amount of Rs.15,750 had been recovered from the

Ex-Nazar Mr. Abdur Rauf (dismissed) and the balance of Rs.10,300 remained to be recovered from him. For the balance recovery of Rs.10,300 and on the charges of embezzlement the matter had been referred to the Anti Corruption Department. The case was being pursued by the Department with Anti Corruption Department. The Committee directed that the recovery may be got verified by Audit and the balance recovery be pursued. **The para was kept pending.**

Annexure Para

3. Para 40/1982-83; Page 233 read with Sr.No.60 of the Audit Report for the year 1989-90 – Fictitious Payments Rs.17,107

The abovementioned para had already been conditionally settled by the PAC. However, the Committee settled the para with the direction that the Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directives of the PAC.

Law & Parliamentary Affairs Department

Overview

Total Paras

2

Abstract

Status	Decision	Para Nos.	Total
Para Noted 1	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 14.10	1
Para Pended 1	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Civil: 14.10.1	1

Discussed on 14 March 1993 and 30 May 2002.
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(Civil Audit)

1. Para 14.10: Page 123 – Non-production of record Rs.183,810

30.5.02: The Committee noted the para as it contained summary of one case of non-production of record with reference to the undermentioned para 14.10.1.

2. Para 14.10.1: Page 123 – Expenditure without Supporting Vouchers/ Acknowledgement Rs.183,810

Audit had observed: "The stated amount was drawn and shown as paid but the relevant vouchers/ acknowledgements in support of payment made, as required under rule 2.20 & 2.22-PFR Vol.I, were not shown to Audit."

14.3.93: It was explained before the Public Accounts Committee that the Department had now traced out the old record which might be checked by Audit. **The para was kept pending** for verification of record by Audit.

Live Stock and Dairy Development Department

Overview

Total Paras	Civil	Commercial
15	8	7

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 2	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 15.8	1
		Commercial: 3(xxvi),	1
Paras Finally Settled 7	Paras finally settled as the requisite action had been taken.	Civil: 15.8.1(3), 15.8.1(5), 15.8.2, 15.8.3	4
		Commercial: 3(xxv), 37, 39	3
Paras Pended 6	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Civil: 15.8.1(1), 15.8.1(2), 15.8.1(4),	3
		Commercial: 36, 38, 40	3

Discussed on 1 & 25 January 1995, 22 October 1996 and 30 May 2002

(Civil Audit)

1. Para 15.8: Page 125 – Recovery Outstanding Rs.7,389,024

30.5.02: The Committee noted the para as it contained summary of three cases of outstanding recovery with reference to the undermentioned paras 15.8.1, 15.8.2 and 15.8.3.

2. Para 15.8.1(1): Page 125 – Non-realization of Land Rent From Tenants Rs.5,880,143

Audit had observed: “Above stated amount was outstanding against the tenants on account

of rent of land. The pace of recovery was very slow. Strict measures needs be adopted to accelerate the pace of recovery.”

1.1.95: The Department explained that the total recoverable amount pointed out by Audit had been recovered and deposited into Government Treasury and duly verified by the Audit Officer. Explaining the delay in recovery, the Department stated that it was recoverable from petty base holders who were sometimes provided shelter by the local political leadership. Therefore, ultimately the amount was recovered by the Deputy Commissioner by imposing Section 144. The Committee was of the view that this action could have been taken at an earlier stage and the concerned officers/officials had shown negligence in making prompt recovery. The Committee directed that the matter may be properly inquired into and responsibility for delayed recovery be fixed.

The Committee also directed that complete record showing the year-wise details of the recoverable amounts, and the date-wise details of action taken to recover the same may be produced to the Public Accounts Committee in its next meeting.

Audit suggested that some advance/earnest money should be obtained from the lease-holders so that on cultivation of the crop this amount could be adjusted. Audit requested that copies of challans, duly attested by the Head of the Department should be provided to them for record, and to check that the same were not re-used. **The para was kept pending.**

3. Para 15.8.1(2): Page 125 – Non-realization of Land Rent From Tenants Rs.99,569

1.1.95: The Department explained that the total recoverable amount pointed out by Audit had been recovered and deposited into Government Treasury and duly verified by the Audit Officer. Explaining the delay in recovery, the Department stated that it was recoverable from petty base holders who were sometimes provided shelter by the local political leadership. Therefore, ultimately the amount was recovered by the Deputy Commissioner by imposing Section 144. The Committee was of the view that this action could have been taken at an earlier stage and the concerned officers/officials had shown negligence in making prompt recovery. The Committee directed that the matter may be properly inquired into and responsibility for delayed recovery be fixed.

The Committee also directed that complete record showing the year-wise details of the recoverable amounts, and the date-wise details of action taken to recover the same may be produced to the Public Accounts Committee in its next meeting.

Audit suggested that some advance/earnest money should be obtained from the lease-holders so that on cultivation of the crop this amount could be adjusted. Audit requested that copies of challans, duly attested by the Head of the Department should be provided to them for record, and to check that the same were not re-used. **The para was kept pending.**

4. Para 15.8.1(3): Page 125 – Non-realization of Land Rent From Tenants Rs.957,263

1.1.95: The Committee was informed that full amount had been recovered and verified by Audit. It was felt that in this case also pace of recovery was extremely slow because the Department took ten years to make the recovery. **The para was however, settled.**

5. Para 15.8.1(4): Page 125 – Non-realization of Land Rent from Tenants Rs.267,280

1.1.95: The Department explained that amounts of Rs.197,116 and Rs.4,085 had been recovered leaving a balance of Rs.61,547 which was recoverable from the District Council

Lahore on account of supply of slaughter animals on credit under the order of the Chief Minister. The District Council had replied that the amount would be paid to the Livestock Department as soon as it was recovered from the contractor. The contractor had won the civil suit in lower court and appeal of the District Council was pending in the relevant court.

It was directed that the Zila Council Lahore, should be asked for payment of the said amount without fail. The Department under no circumstances was responsible for failure of the recovery from the contractor. The Finance Department was also directed to assist the Department in recovery of the amount when the case was moved by it. **The para was kept pending.**

6. Para 15.8.1(5): Page 125 – Non-realization of Land Rent from Tenants Rs.30,149

1.1.95: Full recovery of the amount of Rs.28,325 having been effected and verified by Audit, **the para was settled.**

7. Para 15.8.2: Page 125 – Dues Outstanding on Account of Sale of Animals and Rent of Land Rs.75,220

Audit had observed: “Cost of animals sold on credit and rent of Agriculture land was recoverable from tenants which had not so far been recovered. Efforts should be made to recover the long outstanding dues to avoid the chances of non-recovery with the passage of time.”

1.1.95: Audit had verified that the amount of Rs.4,185.12 was not recoverable. The amount of Rs.19,609 had been recovered and the amount of Rs.19,609 had been written off by the Competent Authority. **The para was settled.**

8. Para 15.8.3: Page 126 – Recovery from Tenants on Account of Stolen Wood Rs.79,400

Audit had observed: “The stated amount being cost of stolen wood was outstanding against the tenants and no effective steps have been taken by the Department to recover the loss sustained by the Government.”

1.1.95: The Department explained that in the Departmental inquiry, an actual recoverable amount was determined as Rs.63,860 which had since been recovered and verified by Audit, **the para was settled.**

(Commercial Audit)

9. Para 3 (xxv): Page 8 – Non-production of Accounts of Punjab Livestock, Dairy & Poultry Development Board for the year 1986-87

25.1.95: The Audit Department stated that the accounts had been received and were under scrutiny. These accounts would be included in the Audit Report for 1993-94. **The para was settled.**

10. Para 3 (xxvi): Page 8 – Punjab Dairy Corporation

30-5-02: The Committee noted the same as it pertained to non-compilation of accounts by the said organisation.

11. Para 36: Page 45 – Loss of Rs.799,638 due to Frequent Rate Differences

Audit had observed: “The Punjab Dairy Corporation made cash purchase of D.S.M.P. and recodan worth Rs.4,098,234 & 145,260 during the year 1986-87 at different rates ranging from Rs.25.90 to Rs.32.80 per Kg. and Rs.105 to Rs.145 per Kg. respectively, from various parties without obtaining proper cash memos and without observing proper purchase procedure. The corporation in this way sustained a loss of Rs.799,638 which could have been avoided, had the above raw materials been purchased on competitive rates after observing proper purchase procedure, instead of making piece meal purchases Audit would suggest an investigation with a view to (i) fix individual responsibility for the piece meal purchase instead of, in bulk and for not obtaining proper cash memos and violating existing purchase procedure.”

25.1.95: The Committee directed that a detailed inquiry into the Draft Para may be held by the Administrative Department and a representative of Audit (Mr. Zulfiqar Ahmad, Audit Officer) and a representative of the Finance Department (Mr. Muhammad Iqbal Nasir, Deputy Secretary) be associated with the inquiry. The inquiry may be finalized within two months. The para was kept pending.

22.10.96: The Department explained that as decided in the meeting of the PAC held on 25-1-1995, an inquiry was conducted to ascertain the factual position. The Inquiry Officer found that the purchases of the D.S.M.P made by the Department were on reasonable rates.

The PAC observed that inquiry was conducted only with regard to the purchase of S.S. M.P. (Milk Powder) and purchase of Recodan valuing Rs.200,000 was ignored altogether. Therefore, the purchase of Recodan may also be enquired into and report be submitted to PAC in the next meeting. **The para was kept pending.**

12. Para 37: Page 45-46 – Spoilage of Milk Worth Rs.93,082 due to Unplanned Production of Flavoured Milk

Audit had observed: “The Punjab Dairy Corporation introduced flavoured milk of Mango, Banana and Strawberry in a small quantity in 1985-86. During the year 1986-87 a bulk quantity of 58,146.5 litres was produced without taking into account its demand in the market. While the heavy stock of unsold flavoured milk was still in hand. The corporation further produced 3572 litres of the same during the year 1987-88. As a result of unplanned production of flavoured milk 11635.25 litres of milk valuing Rs.93,082 (which worked out to 18.85% of total production) were spoiled during the year 1986-87 to 1987-88. This could have been avoided if marketing position of the products have been properly assessed Audit would suggest to fix individual responsibility for the above loss.”

25.1.95: The explanation of the Department was accepted **and the para was settled.**

13. Para 38: Page 46-47 – Misappropriation of Diesel Oil Valuing Rs.38,214

Audit had observed: “In Punjab Dairy Corporation 9900 litres diesel oil valuing Rs.38,214

was issued from store to generator operating section from 18 February 1987 to 23 February 1987 and December 1987. But the same was not entered in the log book. The fact that there was already sufficient stock of diesel with generator operating section. When the store section showed further issue lends support to the Audit contention the diesel oil was misappropriated Audit would, therefore, suggest to :

- i) investigate and fix responsibility;
- ii) Make good the loss from the persons held responsible; and
- iii) Adopt remedial measures.

25.1.95: The Public Accounts committee directed the Department to hold an inquiry for fixing responsibility for not making necessary entries of 9900 Litres of diesel oil, valuing Rs.38,214 in the log book of the generator, and make recovery within three months. The para was kept pending.

22.10.96: The Department explained that inquiry was conducted and responsibility for the loss had been fixed on two persons, viz., M/s. (i) Muhammad Ali, Plant Engineer and (ii) Muhammad Rafique, foremen. As they were responsible for not making entries of diesel oil in the log book relating to the Generators. The Department assured the Committee that the amount would be recovered from the defaulters at the time of final payment of their dues. **The para was kept pending** till the recovery of the amount of Rs.38,214.

14. Para 39: Page 47-48 – Payment of Fine of Rs.24,774 due to Procurement of Poor Quality of Milk etc.

Audit had observed: “The Punjab Dairy corporation had to pay fines of Rs.24,774 imposed by the Magistrate Lahore Municipal Corporation during the years 1985-86 to 1986-87. Out of the total amount paid as fine, a sum of Rs.21,554 represented the fine paid on the samples of milk drawn by Lahore Municipal Corporation which were found to be poor/substandard quality when tested in the laboratory. The remaining amount of Rs.3,220 paid in 1986-87 denoted the fine imposed due to printing of the label “Fresh Milk” on the packets inspite of the fact that packed milk did not come under the definition of fresh milk Audit would suggest to :-

- i) fix responsibility for poor/substandard procurement of milk/printing of wrong statement; and
- ii) recover the fine from the persons held responsible for the loss.”

25.1.95: The explanation of the Department was accepted and **the para was settled.**

15. Para 40: Page 48 – Non-recovery of Liquidated Damages of Rs.206,416 on Account of Delay in Completion of Work

Audit had observed: “The work left over by an ex-contractor of Feed mill, Shahkot was awarded to M/s. Industrial Fabrication Corporation on 12 May 1985 by the Punjab Livestock Dairy and Poultry Development Board, Lahore. The above work was to be completed by 30 June 1985 failing which 55 liquidated damages of the tendered amount were to be recovered from the contractor under clause 42 (ii) of the terms and conditions of the contract agreement.

The work was, however completed in March 1987, instead of June 1985 at an actual cost of Rs.7,297,946. As such the liquidated damages amounting to Rs.364,897 (5% of Rs.7,297,946) should have been recovered from the contractor due to late completion of work Audit would suggest an investigation into the reasons, due to which liquidated damages were not recovered from the contractor in time.”

25.1.95: It was stated by the Department that the contractor Messrs Industrial Fabrication Lahore, instead of paying the liquidated damages of Rs.206,416 to the Board, filed a suit in the Court of Civil Judge Lahore. The said court awarded decree in favour of the contractor. The contractor succeeded in receiving payment of Rs.2,385,574 on the basis of the orders of the court. The Department filed an appeal on 24-5-89 in the Lahore High Court for reversion/ modification of the decretal amount and interest with cost. The case was still pending with the High Court. The case being subjudice was kept pending with the direction that the case may be perused at personal level. The Committee further directed that the Administrative Secretary should personally review the whole case and submit his detailed comments to the Public Accounts Committee within two months.

22.10.96: The Department explained that the Contractor instead of paying the liquidated damages filed a case in the Civil Court and succeeded in obtaining a decree to the tune of Rs.2,385,574. The Department filed an appeal in the Lahore High Court. The case was still pending in the court.

The Committee directed the Department to pursue the case vigorously for achieving positive results. **The para was kept pending** till the decision by the Court.

Planning and Development Department

Overview

Total Paras
2

Abstract

Status	Decision	Para Nos.	Total
Para Noted 1	The para was noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 16.8	1
Para Conditionally Settled 1	Para 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.	Civil: 16.8.1	1

Discussed on 13 March 1993 and 30 May 2002.

(Civil Audit)

1. Para 16.8: Page 128 – Recovery Outstanding Rs.167,245

30.5.02: The Committee noted the para as it contained summary of one case of outstanding recovery with reference to the undermentioned para 16.8.1.

2. Para 16.8.1: Page 128 – Excess Expenditure on Residential Telephone not Recovered Rs.167,245

Audit had observed: “Stated expenditure on the residential telephone in excess of the prescribed limit, was not recovered from the concerned officers.”

13.3.93: The Department explained that according to Audit the recoverable amount came to Rs.16,388, whereas the departmental figures indicated an amount of Rs.14,108. However, an amount of Rs.1,173 had been recovered and, after write off of Rs.3,711, the balance would be Rs.9,000. The Department gave a firm commitment that the balance amount would be recovered within two months.

The Committee directed –

- 1) That reconciliation of figures should be done again;
- 2) Recovery of the balance amount should be effected within two months as promised; and
- 3) Write off of Rs.3,711 should be obtained from the Competent Authority.

Subject to verification by Audit of the above three observations, **the para was settled.**

Social Welfare Department

Overview

Total Paras
2

Abstract

Status	Decision	Para Nos.	Total
Para Noted 1	The para was noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	Civil: 17.5	1
Para Conditionally Settled 1	Para 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 month.	Civil: 17.5.1	1

Discussed on 13 March 1993 and 30 May 2002.

(Civil Audit)

1. Para 17.5: Page 130 – Negligence Rs.61,348

30.5.02: The Committee noted the para as it contained summary of one case of negligence with reference to the undermentioned para 17.5.1.

2. Para 17.5.1: Page 130 - Doubtful Payments Rs.61,348

Audit had observed: “The stated amount was shown as paid to the workers during the period January 1987 to June 1988 but no record, indicating the work done by them daily, was maintained. In the absence of detail of the work done, expenditure on this account is considered doubtful. The said amount needs to be recovered from the officer at fault after

departmental inquiry and fixation of responsibility.”

13.3.93: The Department explained that the relevant record was available and had already been verified by the DAO. The Director General Audit, suggested that he would like to check the authenticity of the verification done by the DAO. Subject to verification by Audit, **the para was settled.**

Transport Department

Overview

Total Paras
19

Abstract

Status	Decision	Para Nos.	Total
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 or category wise break up of irregularities.	Commercial: 194, 195, 196, 197, 198	5
Paras Finally Settled 5	Paras finally settled as the requisite action had been taken.	Commercial: 3(xxvii), 43, 47, 188, 193	5
Paras Pended 9	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	Commercial: 41, 42, 44, 45, 46, 189, 190, 191, 192.	9

Discussed on 25 January, 21 March 1995 and 30 May 2002

(Commercial Audit)

1. Para 3 (xxvii): Page 8 – Non-production of Accounts

25.1.95: The Audit Department stated that the accounts of the Corporation for the years 1986-87 to 1991-92 had been received and included in the Audit Report Vol IV 1992-93. **The para was settled.**

2. Para 41: Page 49-50 – Embezzlement of Cash of Rs.110,068 due to Non Observance of Rules and Procedures

Audit had observed: “In Government Transport service, Sahiwal receipts amounting to Rs.110,068 were embezzled by some officials after making bogus entries in the cash book on

the basis of fictitious deposit slips for the amounts received from conductors during the periods April 1984 to January 1985. When detected by the Management a departmental enquiry was conducted by the PRTC Head office, as a result of which 3 officials were dismissed in September 1985 November 1985 and April 1986 whose dues of Rs.25,932 are pending with the Management for adjustment against the misappropriated amount. The enquiry against the remaining 2 officials has been completed but the decision of the same is awaited from the Competent Authority .. Audit would suggest to:–

- i) recover the amount from the persons found responsible;
- ii) re-examine the procedure for safeguarding receipts with a view to strengthen internal controls; and
- iii) ensure that laid down procedures are strictly followed with a view to eliminate chances of fraud.”

25.1.95: The Department admitted that embezzlement had been committed by the officials concerned. Their case was pending in the Court of Anti-Corruption Judge. Moreover, the departmental inquiry was also at the final stage. The Public Accounts Committee directed that the disciplinary action and the recovery be completed within one month. The para was kept pending.

21.3.95: The Department explained that penalties of recoveries had been imposed against the employees concerned and recovery would be made from their pay. As the case was in court of Anti-corruption Judge, the next date of hearing had been fixed for 3.4.1995. The Department was directed to make the recovery of the penalties and to pursue the cases in the court vigorously. **The para was kept pending.**

3. Para 42: Page 50 – Misappropriation of Stores Worth Rs.105,325

Audit had observed: “In Punjab Road Transport Corporation (Urban) the store keeper at Multan Road Depot misappropriated stores valuing Rs.105,325 from central stores during 1983-84 by manipulation of records which was detected by departmental stores verifier in March 1987. The misappropriation was facilitated due to non observance of rules and procedures. Posting of store ledgers was either not done or not recorded date wise. The receipt of stores in the depot was also never reconciled with the central Store Audit would stress upon the Management:-

- i) to make good the loss after fixing responsibility;
- ii) to initiate disciplinary action against the defaulters; and
- iii) Adopt measures to enforce adherence to laid down procedure.”

25.1.95: The Department admitted that misappropriation had been made by the store-keeper concerned. As a result of departmental inquiry he had been dismissed from service and a recovery of Rs.37,325 had been made from him (Rs.14,500 in cash and Rs.22,825 as adjustment against his service security). The police case registered against him was still under trial and the next date of hearing was 1-2-1995. The Committee directed that an inquiry may also be held to ascertain who was responsible for the delay in stock-taking at the proper time and action under E & D Rules may be taken against him within two months. The para was kept pending.

21.3.95: The Public Accounts Committee observed that each department should have a separate cell to deal with the work relating to PAC and watch progress on PAC directives, so that compliance was ensured within the time specified by PAC. The committee in its meeting held on 25.1.1995 had directed that inquiry should be held to ascertain who was responsible for the delay in stock-taking and action taken against him under the E&D Rules. The Administrative Secretary apologized for non-compliance of the PAC directive and promised to finalize inquiry within one month. **The para was kept pending.**

4. Para 43: Page 51 – Shortages of Spares Worth Rs.50,003

Audit had observed: “In the Government Transport service, Gujrat, the Stock verifier of Headquarters Office detected shortages of spares/components valued at Rs.85,353 while conducting the physical verification of all permanently off-road buses in June 1982. The service did not admit the above shortages as such the local Management requested the head Office to depute the same stock verifier to recheck/reconcile the shortage. Upon rechecking by the stock verifier, the original shortage was reduced to Rs.63,073. On 9 April 1984 the service requested to P.R.T.B. Headquarter to depute an officer to fix responsibility against the delinquent officials and recover the amount against shortages, but only shortage amounting to Rs.13,070 (out of Rs.63,073) has been adjusted so far. The shortage of spares worth Rs.50,003 still remains unadjusted Audit would suggest to:-

- i) finalize the case early;
- ii) recover the shortage; and
- iii) fix responsibility and take disciplinary action against official at fault, for non-accountal of shortages in accounts.”

25.1.95: The record and stock had been reconciled and verified by Audit. **The para was settled.**

5. Para 44: Page 51-53 – Non-replacement of 2014 Nos. Fibre Glass Seats Worth Rs.1.314 Million

Audit had observed: “PRTC entered into an agreement with M/s Zamrock Fibreglass Corporation Limited, on 10.5.1984 for supply of 1518 Nos. two passenger fiberglass seats. The stipulated delivery period was 31.10.1984, which was subsequently, extended upto 28.5.1985 and quantity of seats was also enhanced to 1800. The contractor again failed to supply the seats within the stipulated period Audit would suggest that the matter may be investigated with a view to ascertain causes and fix responsibility for:-

- i) awarding second contract to the firm whose previous performance was not satisfactory;
- ii) not safe guarding the interest of the Corporation by taking performance bond/adequate security from the contractor; and
- iii) inordinate delay infilling the suit against the defaulting contractor.”

25.1.95: Having considered the departmental explanation and Audit comments, the Public Accounts Committee directed that an inquiry may be held into the para with a view to ascertain causes and fixing responsibility for:-

- i) awarding second contract to the firm whose previous record of supply was not satisfactory.
- ii) not taking security bond from the contractor.
- iii) inordinate delay in filing suit against the defaulting contractor. The para was kept pending.

21.3.95: The PAC directive dated 25.1.1995 had not been implemented. The Administrative Secretary requested for one month time to complete action. On his assurance the time was extended for one month. The PAC warned that if its directive was not implemented within the extended time, then the matter would be reported to the Chief Minister and the Chief Secretary. **The para was kept pending.**

6. Para 45: Page 53 – Leakage of Revenue Rs.4.055 Million

Audit had observed: “During the year 1984-85 Multan Road Depot of the Punjab Road Transport Corporation had a fleet of 30 road worthy buses. The depot earned an income of Rs.9,553,290 by operating 2,787,942 kilometers. The average No. of road worthy buses increased to 37 in 1985-86. The operating kilometers also increased to 3,050.861. Despite the increase in the fleet by 7 and operating kilometers by 262,919 as compared to previous year, the income for the year 1985-86 fell down to Rs.8,838,731, which appeared to be due to pilferage of income. The increase in number of buses and the kilometers operated should have yielded, an income of Rs.12,893,538 against which actual income during the year 1985-86 was Rs.8,838,731. Thus there was a loss of income of Rs.4,054,807 during the year 1985-86 Audit would suggest an investigation into the whole affair with a view to:-

- i) fix responsibility for leakage of revenue on the person concerned; and
- ii) initiate suitable action against those found responsible.”

25.1.95: The Department blamed the trade union for leakage of revenues. The Public Accounts Committee directed that an inquiry be held into the para for determining the causes and fixing responsibility within two months. An Audit Officer from the Commercial Audit may also be associated with the inquiry. The para was kept pending.

21.3.95: The Department was allowed an other month to comply with the Public Accounts Committee directive dated 25.1.95. **The para was kept pending.**

7. Para 46: Page 54 – Loss of Rs.720,075 due to Excess Consumption of Diesel and Engine Oil

Audit had observed: “In Sialkot unit of Punjab Road Transport Corporation, diesel and engine oil worth Rs,720,075 was consumed in excess of the fixed yard stick during 1985-86 Audit would suggest to:-

- i) investigated the matter in order to find out the causes of excess consumption with a view to plug the loopholes that may exist in the system; and
- ii) adopt remedial measures to avoid losses under the garb of excess consumption in future.”

25.1.95: The Public Accounts Committee was not satisfied with the explanation given by the Department for excess consumption of diesel oil. The Committee observed that if there were any valid reasons for higher consumption, then the yard-stick should have been got revised accordingly by the Competent Authority, at the proper time. The Committee directed that inquiry be held to calculate the excess consumption and fix responsibility and recovery be made accordingly. The para was kept pending.

21.3.95: On the request of the Department the Committee allowed another month for compliance on its directive dated 25.1.1995. The Committee directed that initially, progress should be submitted within one month and if considered necessary, the time would be extended. **The para was kept pending.**

8. Para 47: Page 55 – Loss of Rs.0.972 Million due to Retention of Drivers in Excess of Actual Requirements

Audit had observed: “Government Transport service, Islamabad sustained a loss of Rs.0.972 million due to retention of 65 drivers (27 in 1984-85 and 38 in 1985-86) in excess of the actual requirements during the years 1984-86 Audit would suggest to:-

- i) ascertain the reasons for retention of drivers in excess of requirements and initiate action to put them to productive use; and
- ii) adopt remedial measures to avoid recurrence of such losses in future.”

25.1.95: The Committee directed that an inquiry should be held to fix the responsibility for retention of drivers in excess of requirements, within two months. The para was kept pending.

21.3.95: The Public Accounts Committee in its meeting dated 25.1.95 had directed the Department to fix responsibility for retention of drivers in excess of requirements. As a result of which GTS Islamabad sustained a loss of Rs.0.972 million. The Department explained that on the orders of retrenchment, the drivers went on strike, as a result of which a meeting was convened with the Chief Minister Punjab, and an agreement was executed laying down that no retrenchment would be done. Explanation of the Department was accepted and **the para was settled.**

Punjab Road Transport Corporation (Pvt.) Limited

9. Para 188: Page 367 – Working Results

With reference to the working results, Audit had suggested : “The cost of service needs to be controlled to attain financial self sufficiency and to avoid huge losses which have been accumulated to the extent of Rs.1990.234 million during the year 1985-86.”

25.1.95: **The para was settled** as the Audit reported that it had been repeated in the Audit Report for the subsequent years.

10. Para 189: Page 368 – Blockage of Huge Funds

Audit had observed: “Stocks and spares worth Rs.78.010 million were kept by the service during the year 1985-86 (Intercity Rs.28.190 million and Urban Rs.49.820 million). The

blockage of huge funds in the stocks and spares may be looked into and inventory level kept at the lowest to avoid unnecessary financial expenses.”

25.1.95: The Committee directed that surplus stock and spares be disposed of expeditiously. The para was kept pending.

21.3.95: The Department tendering explanation for non-disposal of surplus stock and spares stated that the stock in question pertained to the buses which were currently in operation and therefore, it was not considered feasible to dispose them of. The PRTC intended to use these spare parts to rehabilitate its fleet which was presently off road and bring those buses on road. The Committee directed that a detailed report about the stores should be submitted to it in the next meeting. **The para was kept pending.**

11. Para 190: Page 368 – Misappropriation of Cash and Shortage of Stores

Audit had observed: “The current assets of the Corporation included a sum of Rs.7.513 million which pertained to suspense account, cash misappropriation, store shortage and theft of stores. Necessary investigation for the misappropriation of cash and shortage of stores may be carried out to fix responsibility and to make good the loss.”

25.1.95: The Public Accounts Committee directed the Department to expedite recoveries and finalize action. The para was kept pending.

21.3.95: The Department was allowed another month to comply with the Public Accounts Committee directive dated 25-1-1995. **The para was kept pending.**

12. Para 191: Page 368 – Sundry Debtors

Audit had observed: “A sum of Rs.116.799 million was recoverable from the Sundry Debtors during the year 1985-86. In the absence of year-wise analysis, the ages of these debtors could not be ascertained in Audit. The year-wise statement of these Debtors may be prepared and recoveries effected at the earliest so as to avoid the chances of turning these into bad debts.”

25.1.95: The Committee was apprised that recoverable amount had been decreased from 116.799 Million to 31.080 Million. The Committee directed that remaining amount may be recovered and got verified by Audit. The para was kept pending.

21.3.95: The Department explained that the amount of the Sundry debts had further been reduced to Rs.19.86 million. **The para was kept pending** for balance recovery within one month. The list of debtors, with amounts may also be provided to Public Accounts Committee.

13. Para 192: Page 368 – Non-installation of Machinery

Audit had observed: “Fixed assets of Rs.373.055 million as on 30 June 1986 included machinery which has not been installed as yet and depreciation of these machinery as well as charging depreciation thereon, need to be investigated and adjustment made in the next years account.”

25.1.95: The Committee directed that the detail of machinery not yet installed may be

provided to Audit. The para was kept pending.

21.3.95: The Committee was informed that the accumulated assets of the Corporation upto 30-6-1992 amounted to Rs.474.059 million. Explaining the reasons for non-auction of the machinery, the Department stated that the auction was not deemed feasible because the machinery would have to be disposed of by weight thus resulting in great loss to the government. The Department further explained that they were expecting some sister Department might be able to use this machinery. After a detailed discussion, the Committee observed that if at all the stock had to be disposed of then a Sub-Committee should be constituted to appraise the value of the machinery and supervise its auction. **The para was kept pending**, with a directive that progress to be reported within one month.

14. Para 193: Page 368 – Non-disposal of Stores and Spares

Audit had observed: “Stores and spares of Rs.78.011 million on the 30 June 1986 included obsolete spares which have not been segregated and disposed of as yet. Necessity of segregation of obsolete spares and their disposal is stressed upon the Management. Reasons of procurement of spares in bulk quantity and subsequently becoming obsolete need to be investigated.”

25.1.95: The para was settled, being repetition of para 189 above.

15. Para 194-195: Page 369-371 - Auditors Report

30.5.02: These paras pertained to Auditor’s Report. The Committee noted them.

16. Para 196-198: Page 372-382 – Balance Sheet

30.5.02: These paras pertained to Balance Sheet. The Committee noted them.

Annexure

GOVERNMENT OF THE PUNJAB FINANCE DEPARTMENT

NOTIFICATION

Dated: Lahore the 20 October 2000

No.FD/Acctts:/(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

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Sd/-
(Muhammad Anwar Cheema)
Under Secretary (M-1)
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