

Report(1995-96)

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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 sums 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 the 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 1995-96 were laid in the Provincial Assembly of the Punjab on 25 January 1999. The Assembly referred the same to Public Accounts Committee-I (PAC-I), for consideration.

4. These, along with the Reports of former and succeeding years remained under consideration of the said PAC as well as the *ad hoc* PAC, from 1999 to 2002.

5. PAC-I, constituted on 14 October 1997, 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. This Committee considered the reports in a few meetings. However, the Assembly was placed under suspension with effect from 12 October 1999 under the Proclamation of Emergency; and, PAC-I ceased to function.

6. At that time, the defunct Public Accounts Committees had been seized of a heavy backlog of Audit Reports. 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/Accts:/(A&A)/V-7/69 dated 20 October 2000 (*Annexure*).

7. 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.

8. The Committee decided to finalize the report for the year 1995-96 on the basis of the decisions taken by the earlier PAC, as well as its deliberations on 18 and 25 July, 1 and 8 August

2002. The Committee, in its meeting on 29 August 2002, approved the Report.

9. This Report is arranged in 20 Chapters. Chapter 1 contains a summary of the deliberations of the defunct PAC 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.

(Dr Syed Abul Hassan

Najmee)

29 August 2002
Secretary

Provincial Assembly of the

Punjab

Abstract

APPROPRIATION ACCOUNTS

Total Grants	Grants Finally Settled	Grants Pended
48	2	46

AUDIT PARAS

Total Paras	Paras Noted	Paras Finally Settled	Paras Conditionally Settled	Paras Pended
753	52	53	551	97

Introduction

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

2. The Provincial Assembly's Public Accounts Committee-I considered the Appropriation Accounts and the Auditor General's Report on the Accounts (1995-96) of the Government of the Punjab; however, it ceased to function on the suspension of the Assembly on 12 October 1999.

3. To clear the backlog, the *ad hoc* PAC considered the report on the Accounts (1995-96) in its special meetings. Based on the minutes of the meetings of the previous PAC-I as well as those of the present *ad hoc* PAC, the Report on the Accounts (1995-96) has now been compiled.

4. In its meeting held on 29 August 2002, the *ad hoc* PAC approved the submission of the Report to the Finance Minister.

5. 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.

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

29 August 2002

(Riyaz H. Bokhari)
Chairman
***Ad hoc* Public Accounts Committee**

APPROPRIATION ACCOUNTS

(1995-96)

Overview

Total No. of Grants	Settled	Pended
48	2	46

Abstract

Status	Number and Title of Grant	Details
Grants Finally Settled 2	5. Forest 19. Fisheries	Table I
Grants Pended 46	1. Opium 2. Land Revenue 3. Provincial Excise 4. Stamps 6. Registration 7. Charges on account of Motor Vehicles Act 8. Other Taxes & Duties 9. Irrigation & Land Reclamation 10. General Administration (c) & (v) 11. Administration of Justice (c) & (v) 12. Jails and Convict Settlements 13. Police 14. Museums 15. Education 16. Health Services 17. Public Health 18. Agriculture 20. Veterinary 21. Co-operation 22. Industries 23. Miscellaneous 24. Civil Works (c) & (v) 25. Communications 26. H&PP 27. Relief 28. Pensions 29. Stationery & Printing 30. Subsidies 31. Miscellaneous 32. Civil Defence 33. State Trading in Food Grain and Sugar (c) & (v) 34. State Trading in Medical Stores & Coal 35. Loans to Government Servants 36. Development 37. Irrigation Works 38. Agriculture Improvement & Research 39. Industrial Development 40. Town Development 41. Roads and Bridges 42. Government Buildings 43. Loans to Municipalities and Autonomous Bodies Nil-Permanent Debt Nil-Floating Debt Nil-Repayment of Loans from Federal Government Nil-Interest on Debt and other obligations Nil-Privy Purses.	Table II

TABLE I

Grants Settled

The following Grants were settled either because the saving was within the permissible limits –

Grant No & Title	Final Grant	Expenditure	Saving	Remarks
5. Forest	440,114,330	431,716,362	(-) 8,397,968 (1.91%)	Minutes dated 13-9-1999, issued vide No.PAC-I/95-96/99/11496, dated 22-10-1999.
19. Fisheries	74,806,810 *75,968,340	75,660,903 *75,660,903	(+)854,093 (1.15%) (-)*307,437 (0.40%)	Minutes dated 13-9-1999, issued vide No.PAC-I/95-96/99/11496, dated 22-10-1999.

*After reconciliation

TABLE II

Grants Pended

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

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
1. Opium	963,600	875,137	(-) 88,463 (9.18%)	Not discussed
2. Land Revenue	412,603,000	398,653,427	(-) 13,949,573 (3.38%)	-do-
3. Provincial Excise	56,545,000	46,293,006	(-) 10,251,994 (18.13%)	-do-
4. Stamps	24,922,000	24,874,580	(-) 47,420 (0.19%)	-do-
6. Registration	9,858,720	9,858,720	–	-do-
7. Charges on account of Motor Vehicles Act	34,608,410	28,569,255	(-) 6,039,155 (17.44%)	-do-
8. Other Taxes and Duties	89,809,000	85,557,275	(-) 4,251,725 (4.73%)	-do-
9-Irrigation and Land Reclamation	4,139,213,110	3,983,680,302	(-) 155,532,808 (3.76%)	-do-
10. General Admn. (c)	87,411,800	83,073,458	(-) 4,338,342 (4.90%)	Partly settled. Minutes dated 15-6-2001, issued vide No.PAP/Adhoc PAC(3) Vol-II//2001/2586, dated 26-6-2001.
(v)	5,132,127,400	4,709,459,177	(-) 422,668,223 (8.20%)	Partly settled. Minutes dated 15-6-2001, issued vide No.PAP/Adhoc PAC(3) Vol-II//2001/2586, dated 26-6-2001.
11. Admn. of Justice (c)	137,765,000	136,553,009	(-) 1,211,991 (0.80%)	Not discussed.
(v)	401,266,310	351,275,810	(-) 49,990,500 (12.46%)	-do-
12. Jails and Convict Settlements	436,375,000	431,391,671	(-) 4,983,329 (1.14%)	-do-
13. Police	5,107,247,810	5,064,625,554	(-) 42,622,256 (0.83%)	-do-
14. Museums	9,219,100	8,766,340	(-) 452,760 (4.91%)	-do-
15. Education	20,724,915,210	18,206,730,490	(-) 2,518,184,720 (12.15%)	Partly settled. Minutes dated 1-6-1999, issued vide No.PAC-I/95-96/99/8552, dated 14-7-1999.
16. Health Services	4,742,191,220	4,539,245,853	(-) 202,945,367 (4.28%)	Not discussed
17. Public Health	480,803,910	418,352,815	(-) 62,451,095 (12.98%)	-do-
18. Agriculture	1,343,135,510	1,331,648,259	(-) 11,487,251 (0.86%)	Not discussed
20. Veterinary	662,668,840	628,442,779	(-) 34,226,061 (5.16%)	-do-
21. Co-operation	156,056,000	154,726,352	(-) 1,329,648 (0.85%)	-do-
22. Industries	151,634,410	137,269,270	(-) 14,365,140 (9.47%)	-do-
23. Miscellaneous	499,917,510	466,316,617	(-) 33,600,893 (6.72%)	Partly settled. Minutes dated 13-9-1999, issued vide No.PAC-I/95-96/99/11496, dated 22-10-1999.
24. Civil Works (c)	3,200,000	3,187,710	(-) 12,290 (0.38%)	Settled. Minutes dated 4-10-1999, issued vide No.PAC-I/95-96/99/12176, dated 24-12-1999.
(v)	1,222,096,710	832,854,120	(-) 389,242,590 (31.85%)	-do-
25. Communications	1,707,680,610	1,364,504,497	(-) 343,176,113 (20.10%)	-do-

26. Housing &PP	194,786,010	115,305,454	(-) 79,480,556 (40.80%)	Not discussed.
27. Relief	19,500,000	19,384,069	(-) 115,931 (0.59%)	-do-
28. Pensions	8,170,000,000	9,514,621,011	(+) 1,344,621,011 (16.46%)	-do-
29. Stationery & Printing	93,225,610	75,335,160	(-) 17,860,450 (19.16%)	-do-
30. Subsidies	1,360,000,000	1,100,000,000	(-) 260,000,000 (19.12%)	-do-
31. Miscellaneous	998,317,010	681,248,752	(-) 317,068,258 (31.76%)	-do-
32. Civil Defence	29,645,000	29,283,303	(-) 361,697 (1.22%)	-do-
33. State Trading in Food Grain & Sugar	(c) 538,616,000	538,616,000	—	-do-
	(v) 12,704,208,000	12,971,170,110	(+) 266,962,110 (2.10%)	-do-
34. State Trading in Medical Stores & Coal	159,953,000	156,772,600	(-) 3,180,400 (1.9%)	-do-
35. Loans to Govt. Servants	5,000	-	(-) 5,000 (100%)	Not discussed.
36. Development	7,304,522,550	6,368,890,808	(-) 935,631,742 (12.80%)	Partly settled. Minutes dated 14-9-1999, issued vide No.PAC-I/95-96/99/11755, dated 22-11-1999.
Forest	109,100,000	119,595,615	(+) 10,495,615 (9.62%)	Pended. Minutes dated 13-9-1999, issued vide No.PAC-I/95-96/99/11496, dated 22-10-1999.
37. Irrigation Works	1,257,899,000	1,330,559,663	(+) 72,660,663 (5.78%)	Not discussed
38. Agriculture Improvement & Research	27,111,010	17,716,943	(-) 9,394,067 (34.65%)	-do-
39. Industrial Development	46,093,000	4,964,000	(-) 41,129,000 (89.23%)	-do-
40. Town Development	104,100,000	87,843,724	(-) 16,256,276 (15.62%)	-do-
41. Roads and Bridges	2,824,000,010	2,427,171,895	(-) 396,828,115 (14.05%)	Partly settled. Minutes dated 4-10-1999, issued vide No.PAC-I/95-96/99/11755, dated 22-11-1999.
42. Government Buildings	3,818,144,010	2,219,583,344	(-) 1,598,560,666 (41.87%)	Pended. Minutes dated 4-10-1999, issued vide No.PAC-I/95-96/99/11755, dated 22-11-1999.
43. Loans to Municipalities, Autonomous Bodies	1,470,644,000	1,190,165,719	(-) 280,478,281 (19.07%)	Not discussed.
Nil. Permanent Debt	(c) 1,116,000	--	(-) 1,116,000 (100%)	-do-
Nil. Floating Debt	(c) 12,219,913,000	9,529,000,000	(-) 2,690,913,000 (22.02%)	-do-
Nil Repayment of Loans from the Federal Govt.	(c) 1,629,145,000	1,629,033,922	(-) 111,078 (0.01%)	-do-
Nil. Interest on Debt and other obligations	(c) 12,935,878,010	12,951,240,368	(+) 15,362,358 (0.118%)	-do-
Nil. Privy Purses	(c) 1,600,000	—	(-) 1,600,000 (100%)	-do-

Agriculture Department

Overview

Total Paras	Civil	Commercial
116	46	70

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 23	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	Commercial: 1, 2, 3, 39, 40, 42, 44, 48, 49, 52, 53, 56, 57, 59, 60, 63, 64, 68, 69, 70, 73, 74, 80	23
Paras Conditionally Settled 90	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 1.1, 1.2, 1.4, 1.5, 1.6, 1.7, 2.1, 2.2 (1&2), 2.3, 2.4, 2.5 (1&2), 2.6(1,2,3&4), 2.7 (1-12), 2.8(1-3), 2.9 (1&2), 2.10, 2.12, 2.13, 2.14(1-2), 2.15(1-4), 2.16 Commercial: 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 41, 43, 45, 46, 47, 50, 51, 54, 55, 58, 61, 62, 65, 66, 67, 71, 72, 75, 76, 77, 78, 79, 81, 82, 83	44 46
Paras Pended 3	Paras pended because the Committee decided to have working papers for consideration.	Civil: 2.11, 1.3. Commercial: 9	2 1

Discussed on 18 and 25 July 2002

Civil Audit

1. Para 1.1: Page 31 – Un-authorized Drawal of Rs.129,287 as Pay for 4 to 6/95 Without Sanction and Provision of Funds

Audit had observed: “The Government of the Punjab Finance Department issued sanction for the scheme “Fruit & Vegetable marketing Development project” for the months of 7/94 to 12/94 but pay of the staff Rs.129,287 under Post harvest Research Centre Faisalabad for the period of 4 to 6/95 drawn in 11/95 (1995-96) without sanction and provision of funds during 1995-96. The bill was admitted by District Accounts Office, Faisalabad.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para 1.2: Pages 31-32 – Theft of Government Vehicle No.MHA-9121 Valuing Rs.390,000

Audit had observed: “A scrutiny of the record of formation revealed that a Government vehicle of the stated value was stolen on the night of 17.1.1995 just after three months of its purchase, which resulted in a loss to Government amounting to Rs.390,000 under the charge of Deputy Director, Agriculture (Ex Muzaffargarh).”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 1.3: Pages 32-33 – Misuse of Government Vehicle No.LOM-6932 – Recovery of Rs.392,274

Audit had observed: “Scrutiny of record disclosed that Departmental air-conditioned vehicle No.LOM-6932 remained under use of the Minister from 1.7.1994 to 30.4.1995 and covered 65379 KM from meter reading 84064 to 149443.”

18-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

4. Para 1.4: Page 33 – Less Realization of Government Dues/Share on Account of Farm Produce Amounting to Rs.113,495

Audit had observed: “Audit scrutiny of the record of formation revealed that Government dues representing share out of farm produce, to the extent noted above were less realized from tenants, which resulted in a loss to Government amounting to Rs.113,495 under the charge of Extra Assistant Director of Agriculture, Government Seed Farm Ehsanpur during 1993-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 1.5: Pages 33-34 – Non-recovery of Government Dues – Rs.692,814

Audit had observed: “Audit scrutiny of the record of formation revealed that Government dues to the extent noted above were outstanding against Tenants/Patadars for the period 93-94 to 94-95 on account of lease of state land, which resulted in a loss to Government under the charge of Extra Assistant Director of Agriculture, Government Seed Farm, Ehsanpur during the above noted period. When pointed out by Audit in November, 1995, the Department replied that the recovery is in progress and will be completed soon. The matter was reported to the Administrative Secretary in April, 1996 as AP and PDP in April, 1996 but no reply was received.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 1.6: Page 34 – Non-recovery of Income Tax – Rs.616,586

Audit had observed: “A scrutiny of record revealed that Farm produce and Trees belonging to Government were auctioned but Income Tax at the rate 3% was not deducted at source in contravention of provision of section 50-7 (A) of Income Tax Ordinance 1979 which resulted into a loss of Rs.616,586 under the charge of Director MMRI Yousafwala during the years 1991-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para 1.7: Pages 34-35 – Irregular Payment of Tuition/Registration Fee on Account of Professional English Language – Rs.410,150

Audit had observed: “The expenditure stated above was incurred on account of professional English course for which there was no provision in PC-I.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Water Management

8. Para 2.1: Page 37 – Misappropriation of Material Worth Rs.54,025

Audit had observed: “During Audit scrutiny of record of the formation it was noticed that the material valuing to stated extent was less handed over/taken over and by alteration of figures in completion report was misappropriated which resulted into loss to Government amounting to Rs.54,025 under the charge of WMC DG Khan during 1994-95.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

9. Paras 2.2(1 & 2): Pages 37-38 – Misappropriation of Bench Mark and Naccas Worth Rs.165,344 – (1) W.M.C, Gujranwala – Rs.78,380 (2) S.S.T.P, Sheikhpura – Rs.80,946

Audit had observed: “In the formations as given the store items valuing to the stated extent were found short on physical verification at the time of Audit. Thus the material worth Rs.165,344 stood embezzled. This resulted into loss to the Government to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para 2.3: Page 38 – Misappropriation of Bricks for Rs.75,625

Audit had observed: “The scrutiny of the record revealed that bricks purchased were misappropriated, it resulted into loss to Government amounting to Rs.75,625 under the charge of PD SSTP Sheikhpura during 1994-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para 2.4: Page 39 – Misappropriation of Material Worth Rs.50,600

Audit had observed: “The scrutiny of the record of the formation transpired that materials (Cement & Naccas) to the stated extent were issued but inspite of lapse of one year the work could not be started. Thus the same was misappropriated. This resulted into loss to Government amounting to Rs.50,600 under the charge of WMC Lahore during 1994-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

12. Paras 2.5 (1 & 2): Pages 39-40 – Misappropriation of Water Course Material Amounting to Rs.4,46,565 – (1) W.M.C. (F.T.C.), Faisalabad – Rs.39,925 (2) W.M.C., Multan –

Rs.4,06,640

Audit had observed: “A scrutiny of the record of the different formations revealed that water course material was issued to the staff of concerned field team or to the other field teams which was neither accounted for in stock of field teams nor returned back in store, which resulted into loss to the stated extent to Government.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

13. Paras 2.6 (1 to 4): Pages 40-41 – Embezzlement of Material Worth Rs.6,86,447 – (1) W.M.C, Multan – Rs.1,09,924.50 (2) W.M.C (FTC), Multan – Rs.61,972 (3) W.M.C (FTC), Faisalabad – Rs.2,65,687.78 (4) W.M.C (Sialkot) – Rs.2,48,862.43

Audit had observed: “The Scrutiny of record of the various formations revealed that the Water courses material was issued in excess of actual requirement. The same was neither taken back nor its consumption shown to Audit. The entire material stands embezzled which resulted into loss to the stated extent to the Government.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

14. Paras 2.7(1 to 12): Pages 41-42 – Embezzlement of Material Worth Rs.11,82,141 – (1) S.S. T.P, S/pura (Rs.29,980) (2) W.M.C., Gujrat (Rs.56,016.50) (3) F,T.C, Chakwal (Rs.83,413.85) (4) W.M.C, Attock (Rs.21,517) (5) W.M.C., Gujranwala (Rs.1,23,645.55) (6) W.M.C., D.G Khan (Rs.2,46,240.55) (7) W.M.C., Vehari (Rs.77,385.10) (8) W.M.C., Khanewal (Rs.1,54,506.30) (9)W.M.C.,Lahore (Rs.41,800) (10) W.M.C.,Lahore (Rs.2,29,436.25) (11) W.M.C., Lahore (Rs.76,000) (12) W.M.C., Lahore (Rs.42,200)

Audit had observed: “In the given formations the water courses material was issued in excess of actual requirement. The same was neither taken back nor its consumption account was shown to Audit. The entire material stands embezzled which resulted into loss to the stated extent to Government.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

15. Paras 2.8(1 to 3): Page 43 – Embezzlement of Material Worth Rs.3,94,340 – Non-accountal (1) W.M.C, Multan (Rs.14,600) (2) W.M.C, (FTC), Multan (Rs.1,18,120) (3) W.M.C (FTC), Faisalabad (Rs.261,620)

Audit had observed: “The scrutiny of the record of the given formations revealed that Water Course material was issued for renovation of water courses. The same was neither accounted for/consumed nor received back. The entire material stands embezzled which resulted into loss to the stated extent to Government.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

16. Paras 2.9(1 & 2): Pages 43-44 – Embezzlement of Material Worth Rs.59,534 by Excess Masonry Volume Claimed – (1) W.M.C, Multan (Rs.48,503.85) – (2) W.M.C (FTC), Multan (Rs.11,030)

Audit had observed: “The scrutiny of the record of the given formations revealed that the Masonry volume of work was claimed in excess of actual volume verified by the NESPAK consultants. It resulted into a loss to the stated extent to Government.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

17. Para 2.10: Page 44 – Theft of Cash Amounting to Rs.17,103

Audit had observed: “During Audit scrutiny of account record of the formation it was noticed that cash to the stated extent was stolen but no report was sent as required under Rule 2.33 of PFR Vol.I. The loss caused to Government due to negligence of Department rather case was not reported to Police.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

18. Para 2.11: Page 45 – Non Deposit of Income Generated Through Tractors/ Lasers for Rs.157,155

Audit had observed: “The scrutiny of log books of tractors revealed that rental charges realized from land owners for land levelling were not deposited in Government Treasury as required under Rule 7.1 of STR Pb which resulted into loss to Government amounting to Rs.157,155 under the charge of SSTP Sheikhupura during 1994-95.”

18-7-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

19. Para 2.12: Pages 45-46 – Non-deduction of Income Tax – Rs.47,213

Audit had observed: “During scrutiny of record it was observed that income tax of Rs.24,713 from suppliers and Rs.22,500 from owner of building was not recovered as required vide Section 50 (4) and Section 50(7B) of Income Tax Ordinance, 1979 respectively. It resulted into loss to Government to extent of Rs.47,213.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

20. Para 2.13: Page 46 – Shortage of Store Articles – Recovery of Rs.87,675

Audit had observed: “An examination of stock register of durable goods revealed that shortage of stated amount was pointed out by departmental officer while conducting annual physical verification which resulted into loss to Government to the extent of Rs.87,675.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action

taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

21. Para 2.14 (1 & 2): Pages 46-47 – Loss of Store Items Worth Rs.76,800 – (1) W.M.C., Lahore (Rs.50,000) – (2) W.M.C, Khanewal (Rs.26,800)

Audit had observed: “In the given formations store items were found short during physical verification conducted by Audit. Thus these store items stand misappropriated which resulted into loss to the stated extent to Government.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

22. Paras 2.15(1 to 4): Pages 47-48 – Misappropriation/Shortage of Material Rs.1,22,836 – (1) W.M.C., Multan (Rs.18,048) – (2) W.M.C, Lahore (Rs.38,188) – (3) W.M.C., (FTC), Faisalabad (Rs.18,900) – (4) W.M.C, Multan (Rs.47,700)

Audit had observed: “The misappropriation/shortage of material was found in the given formations on physical verification, by preparing double record, less calculation of balances and by issuing only one item of construction material. It resulted into loss to the extent of Rs.122,836 to public exchequer.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

23. Para 2.16: Page 48 – Fraudulent Drawal of Rs.116,252

Audit had observed: “A scrutiny of records of the formations revealed that payment to the stated extent for purchase of bricks and sand was drawn twice. It resulted into loss to Government amounting to Rs.116,252.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Commercial Audit

1. Paras 1&2: Pages 3-5 – Scope of Compilation

25-7-02: The Committee **noted** the paras.

2. Para 3: Page 5 – Non-compilation of Accounts

(i) Agricultural Engineering, D.G. Khan Division	1995-96	D.G. Khan.
(ii) Agricultural Engineering, Gujranwala Division	1995-96	Gujranwala.
(iii) Agricultural Engineering, Jhelum Division	1994-95	Jhelum.
	1995-96	
(iv) Agricultural Engineering, Lahore Division	1993-94	Lahore.
	1994-95	
	1995-96	
(v) Agricultural Engineering, Multan Division	1994-95	Multan.
	1995-96	
(vi) Agricultural Engineering, Sargodha Division	1995-96	Sargodha.
(vii) Agricultural Engineering, Talagang Division	1995-96	Talagang.

25-7-02: The PAC noted the contents of the audit para and directed that the Departments should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that accounts are compiled and submitted to Audit on time.

3. Para 6: Page 15 – Revenue Loss of Rs.264,000 Due to Idleness of Rig Machine and Unnecessary Shifting Charges of Rs.45,288

Audit had observed: “A power rig machine bearing No.JR-6 was shifted from Agricultural Engineering Jhelum to Agricultural Engineering Dera Ghazi Khan on February 17, 1994 inspite of the fact that the rig machines at the same Division were also available. The said rig machine remained idle at DG Khan for four months and was brought back to Jhelum on May 11, 1994. Thus, the AE Jhelum Division was deprived of revenue income amounting to Rs.264,000 due to idleness of the machine at DG Khan in addition to unnecessary shifting charges of Rs.45,288 for 1332 kilometers.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation

of the directive of the PAC.

4. Para 7: Pages 15-16 – Expected Loss of Rs.1.956 Million Due to Spares/Stores Items Becoming Obsolete

Audit had observed: “In Agricultural Engineering Division, DG Khan a huge quantity of spare parts having a book value of Rs.1,956,713 had become obsolete as the machinery for which these spare parts were imported/purchased had either been sold or recommended for auction after becoming uneconomical. Approval for the auction of these surplus spare parts was accorded except spare parts of Dong Fong Machinery. It is apparent that these spares would be auctioned as a scarp and Government would have to bear a loss of Rs.1,956,713 due to imprudent purchases of the Management...Audit would suggest the following action:-

- (i) responsibility for the purchase of these spares over and above the requirement may be fixed.
- (ii) the obsolete spares may be disposed of and resultant loss written off under the orders of Competent Authority; and
- (iii) the maximum and minimum levels of inventory keeping in view procurement time for the same may be fixed so that the chances of the spares becoming obsolete could be minimized.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 8: Page 16 – Non-recovery of Rs.460,160 on Account of Misappropriation of Stores

Audit had observed: “Mr Pervaiz Akhtar, Drilling Supervisor of Agricultural Engineering Division, Multan misappropriated stores worth Rs.480,160 during the year 1993 when he was incharge/supervisor of Hasilpur and Chishtian units. The irregularity was pointed out by internal Auditors of the Department in September, 1993. The official admitted the misappropriation of stores and deposited Rs.20,000 into Government treasury in October, 1993 being first installment but the balance amount of Rs.460,160 remained un-recovered for the reason best known to the Management, because no action was initiated either to report the case to Government Investigating Authorities/higher authorities of Agriculture Department or to stop the pay of the official.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31

December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 9: Page 17 – Loss of Rs.315,204 Due to Non-utilization of Funds Amounting to Rs.28,018,172

Audit had observed: “In Agriculture Extension, Project Director Building Cell, an amount of Rs.28,018,172 obtained through IDA loan was withdrawn on February 2 1988 but the loan remained un-utilized up to June 30, 1989 due to variance in the rate of construction. C&W Department showed its inability to complete the work at the rates applicable for the year 1986. The construction rates were subsequently revised in April, 1989 and the work could not be started before June, 1989. Consequently the Government of Punjab had to pay an amount of Rs.315,204 as interest on un-utilized funds.”

25-7-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

7. Para 10: Page 17 – Loss of Rs,82,895 on Account of Misappropriation of Fertilizer

Audit had observed: “In various units of PAD&SC, Bahawalpur Region 1219 bags of fertilizer worth Rs.82,895 was pilfered away by the officials during the period prior to February, 1980. In spite of the fact that a period of more than 15 years has elapsed, the management did not make concrete efforts to finalize the cases to effect recovery from the persons at fault.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para 11: Pages 17-18 – Loss of Rs.401,813 Due to Damage of Fertilizer by Rain and Long Storage

Audit had observed: “In PAD&SC, Vehari and Sialkot 2846 bags of fertilizer of different varieties were damaged either by rain or long storage and became stony during 1986-87 to 1988-89. This damaged stock had to be sold at reduced rates which caused loss of Rs.401,813 to the Corporation.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 12: Page 18 – Loss of Rs.85,091 on the Sale of Damaged Bags of Fertilizer

Audit had observed: “In Punjab Agricultural Development and Supplies Corporation, Attock 1611 bags (1226+385) DAP fertilizer valuing Rs.213,073 and 61 bags of Urea imported valuing Rs.7,808 were declared damaged either being the last layer of store or defective receipt of fertilizer from Deputy Director, PAD&SC, Karachi. The damaged stocks were auctioned for 135,790 (113600 + 19,140 + 3050) on November 16, 1987 sustaining a loss of Rs.85,091 (37488 + 47603).”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para 13: pages 18-19 – Fraudulent Credit Sale of Pesticides Worth Rs.2,038,944 on Fake Zaripass Books

Audit had observed: “In PAD&SC, Vehari credit sale of pesticides was made during 1987-88. According to the sale policy issued by the PAD&SC, Head Office, the pesticide stock was to be issued against the Pass Books after pledging the land in favour of PAD&SC. PAD&SC, Vehari issued the pesticides worth Rs.2,038,944 on credit to five persons on Pass Books which subsequently proved fake. The pesticides were got issued by the said persons on the Pass Books which belonged to other landlords, after affixing their photos on them. Had the PAD&SC authorities verified the entries of Pass Books with the revenue records as to whether the land offered for mortgage is owned by the same persons to whom pesticides were being issued, the bogus Pass Books could have been detected before issue of pesticides. The revenue Department has refused to accept any involvement in preparation of bogus Pass Books and made the PAD&SC staff liable for this fraud. The case was registered with the Police Station vide FIR dated September 19, 1987. The loan case files and other relevant record was with special judge Anticorruption, Multan. The Departmental inquiry was not produced which was stated to be with PAD&SC, H. Q.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para 14: Pages 19-20 – Loss of Rs.338,478 Due to Auction of Leftover Wheat Seed on

Reduced Rates

Audit had observed: “In Punjab Agricultural Development and Supplies Corporation, different varieties of wheat seed were received in excess of the actual requirements of the zamindars of the are by the Manager, PAD&SC, Lahore. As a result the entire stocks of wheat seed could not be disposed of at the actual rates and the left over stocks of various varieties had to be disposed of through public auction at reduced rates causing a loss of Rs.338,478 to the Corporation which occurred due to ill planning and imprudent marketing policy adopted by the higher management of the Corporation.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para 15: Page 20 – Non-recovery of Penal Interest – (Rs.111,716) by PAD&SC

Audit had observed: “The Punjab Agricultural Development and Supplies Corporation (HQ) Management instructed to the branches of banks which received their sale collection in the province of Punjab to remit the same on daily basis in their account maintained at Lahore and that there should be nil balance in collection accounts at the close of every working day. Contrary to these instructions certain branches of banks of Faisalabad Region did not remit the sale collection on daily basis and withheld the collection unauthorisedly. The PAD&SC management claimed the penal markup amounting to Rs.111,716 from the bank for withholding of sale collection relating to the period from February 2, 1986 to July 12, 1990 but the same was not paid by the bank branches, whereas main branches of the bank charged the amount of mark up on cash credit facility provided to the PAD&SC.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 16: Pages 20-21 – Non-deduction of Income Tax Against Rent of House Property Amounting to Rs.81,773

Audit had observed: “In Punjab Agricultural Development and Supplies Corporation (Head Office), Lahore income tax amounting to Rs.81,773 against rent of house property being hired for the Head Office of PAD&SC, Lahore was not deducted under section-50(7)(b) of Income Tax Ordinance, 1979 at the specified rates with effect from July 1, 1989 at the time of making such

payments to the land lord/partners of the demised premises which was not justified in Audit.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

14. Para 17: Page 21 – Defalcation of Fertilizer, Pesticides, Agricultural Implements Worth Rs.654,956

Audit had observed: “In PAD&SC, Vehari Mr Muhammad Ashraf (late) Supervisor defalcated fertilizer pesticides and agricultural implements valuing Rs.654,956. The Supervisor met with an accident in October 27, 1991 and died on November 2, 1991. After his death the stock of the godown was counted in the presence of a Magistrate on November 5, 1991. The shortages of fertilizer, pesticides and agricultural implements worth Rs.654,956 were detected. The case was investigated by the District Manager, PAD&SC, Vehari and report in this regard sent to Regional Manager, PAD&SC, Multan on November 13, 1991. A notice to the legal heirs of the deceased supervisor for recovery of the shortages was served on November 27, 1991. No response has been received from the legal heirs. The deceased supervisor was posted at bulk Depot No.1 Vehari for the last many years as against the policy of PAD&SC Headquarter. The District Manager is required to pay visits to the sale points/bulk depots and check physically the stock held by the supervisor. Had this check been exercised by the District Manager, the shortages would have been detected earlier and remedial measures adopted.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

15. Para 18: Pages 21-22 – Loss of Rs.0.794 Million on the Sale of Fertilizer at Old Rates

Audit had observed: “The Punjab Agricultural Development and Supplies Corporation sustained a loss of Rs.755,713 on the sale of fertilizer at its various field offices at old rates on 10 October 1988 and 11 October 1988 instead of new rates being enhanced with effect from 10 October 1988 by the Corporation. During October there was no season of sale and the bulk sales of fertilizer were made to take the advantage of the old rates of fertilizer. The fertilizer was neither sold immediately prior to 9 October 1988 nor after 11 October 1988. Similarly the same omission was committed by District Manager, PAD&SC, Jhang during October, 1990 upon revision of rate with effect from 28 October 1990 and had sustained la loss of Rs.38,400. Initially the Manager

Chiniot/Lallian sold out 2200 bags of DAP at old rates sustaining a loss of Rs.70,400 (@ Rs.32 per bag) and subsequently the price differential of Rs.32,000 in respect of 1000 bags was recovered/ deposited in the bank. However, recovery of Rs.38,400 is still outstanding. Thus net loss sustained by the Corporation on this account worked out to Rs.794,113 (Rs.755,713 + 38,400).”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

16. Para 19: Pages 22-23 – Loss of Rs.225,760 Due to Rebagging of Fertilizer

Audit had observed: “In a certain unit of Punjab Agricultural Development and Supply Corporation, 830 bags of fertilizer valuing Rs.225,760 became short at the time of standardization of 8600 bags of fertilizer during the year 1991-92. Neither reasons for the shortage of 830 bags were furnished to Audit nor the loss in question was made good from the officials at fault. It was, however, verbally stated by the management that the loss would be regularized under order of the Competent Authority and write off sanction will be furnished to Audit in due course of time.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

17. Para 20: Page 23 – Non-deduction of Income Tax Amounting to Rs.56,363

Audit had observed: “Under Section-50(7)(b) incorporated in the Income Tax Ordinance, 1979 through Finance bill, 1989 any person responsible for making any payment in full or in part including a payment by way of an advance to any person on account of the rent of House property (Including rent of furniture, fixture in any) on behalf of Government a local authority, a company shall where the annual rent of such property exceeds one hundred thousand rupees deduct advance tax at the time of making such payments at the rate specified in the first schedule i.e. 5% of such amount. It was however observed that PAD&SC Regional Office, Lahore did not deduct income tax at source amounting to Rs.56,363 on the rent of Rs.1,127,258 paid to a landlord during 1989-93.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to**

the following direction –

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

18. Para 21: Pages 23-24 – Loss of 1783 Bags of Fertilizer Valuing Rs.382,596 Due to Flood

Audit had observed: “In Punjab Agricultural Development and Supplies Corporation, Chakwal 1594 bags of imported urea valuing Rs.334,740, 159 bags of DAP valuing Rs.41,976 and 30 bags of TSP valuing Rs.5,880 were totally lost due to floods of September 1992 and the Corporation sustained a total loss of Rs.382,596 due to non-adopting of the remedial measures even after the warning of flood emergency cell.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

19. Para 22: Page 24 – Non-recovery of Rs.81,435 Being the Cost of Misappropriated Fertilizer

Audit had observed: “In Punjab Agricultural Development and Supplies Corporation, Bahawalpur Region, 850 DAP bags were received from Karachi on January 8, 1992. The Manager (PAD&SC) Haroonabad reported on January 25, 1992 that due to rebagging of under weight 856 bags a shortage of 267 bags had been caused in the stock. The matter was investigated by an Inquiry Officer who held that 267 bags of DAP had been misappropriated and sold out by Incharge of Depot. No recovery of cost of misappropriated fertilizer was made from the official(s) at fault and loss of Rs.81,435 was thus caused to the Corporation.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

20. Para 23: Pages 24-25 – Auction of Wheat Seed at Lesser Rates Resulting a Loss of Rs.255,881 to PAD&SC

Audit had observed: “In PAD & SC DG Khan and Attock Districts a large quantity of wheat seed was procured during the years 1985-86, 1986-87 and 1992-93 through PAD&SC Head Office, Lahore for its sale to the growers through its sales points. The management could not sell out 2969

bags of wheat seed valuing Rs.907,227 in the respective seasons. Subsequently these left over stocks were sold/auctioned at reduced rate for Rs.651,346. As a result the Corporation sustained a loss of Rs.255,881 (50,901 + 67,564 + 137,416) either due to imprudent procurement policy or negligence of local management regarding non-sale of seeds in time.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

21. Para 24: Page 25 – Loss of Rs.75,280 Due to Non-receipt of 240 Bags of DAP

Audit had observed: “In Punjab Agricultural Development and Supplies Corporation, RY Khan 240 bags of DAP valuing Rs.75,280 were despatched from Karachi Port for Rahim Yar Khan through National Logistic Cell in January, 1992 but the consignment could not be delivered at the destination up to August 1992. Thus the consignment was suspected to have been misappropriated and a loss of Rs.75,280 had to be borne by the PAD&SC.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

22. Para 25: Pages 25-26 – Loss of Rs.783,098 Due to Disposal of Wheat and Cotton Seed at Lower Rates

Audit had observed: “In PAD&SC Vehari and Bahawalnagar all the stock of wheat and cotton seed purchased during 1988-89 and 1989-90 could not be sold at normal rates and the left over stock of 5950 bags of cotton seed and 2109 bags of wheat seed had to be auctioned at lower rates resulting in a loss of Rs.783,098 to the Corporation. The loss was sustained due to over estimation of the requirements of the growers and poor marketing.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

23. Para 26: Page 26 – Un-justified Payment of Rs.173,760 on Account of Legal Fee Charges

Audit had observed: “In Punjab Agricultural Development and Supplies Corporation, (HQ) Lahore, Ch Muhammad Hanif Advocate was appointed as part time legal Advisor at a monthly retainership fee of Rs.3200. As per order dated June 26, 1990 of Law Secretary, Government of Punjab Law and Parliamentary Affairs Department the approval was accorded to the appointment as Legal Advisor in PAD&SC under Rule 7 of the Punjab Local Council (Legal Advisor) Rules, 1987 as made applicable *mutatis mutandis* to all statutory bodies/Autonomous Bodies/Corporation,-vide Government of the Punjab Law and Parliamentary Affairs Department letter No.Cem-4-12/82 dated November 19, 1987. In accordance with clause I and 2 of terms and conditions of service, the Legal Advisor concerned can be paid a fixed retainership fee of Rs.3200 and he shall not be paid any separate fee for conducting cases in the Courts. As per clause 6(2) of the Punjab Local Council (legal Advisor) Rules, 1987, the remuneration shall be a fixed monthly retainership fee as salary and shall not be on case-to-case basis provided that if the circumstances of Local Council so warrant, the Government may allow engagement of a Legal Advisor on case-to-case basis. An amount of Rs.173,760 on account of legal fee/charges was paid to the legal Advisor concerned in addition to monthly retainership fee in violation to the standing orders of the Government which was not justified as no circumstances existed to pay the fee on case to case basis.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

24. Para 27: Page 27 – Misappropriation of Fertilizer Worth Rs.115,575

Audit had observed: “In Punjab Agricultural Development and Supplies Corporation, Multan 1541 bags of DAP valuing Rs.204,953 at the rate of Rs.133 per bag were exempted and filled with Super Phosphate Fertilizer of lower rate at the rate Rs.58 per bag in place of DAP. Super Phosphate filled bags were sold out at Rs.89,378 and cash deposited in bank on November 18, 1989. As a result of difference of two prices a sum of Rs.115,575 (204,953-89,378) was misappropriated by a store supervisor of bulk depot No.3. The defalcation was detected on April, 14, 1986 at the time of handing over of the charge and FIR was registered against the accused on January 25, 1987 after a delay of nine months.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

25. Para 39: Pages 39-40 – Working Results of Agricultural Engineering Bahawalpur Division Bahawalpur for the years 1994-95 and 1995-96

25-7-02: The Committee **noted** the working results.

26. Para 40: Page 40 – Accounting for Subsidy on the Basis of Commercial Rates instead of Full Hire Rates of the Machine

Audit had observed: “Like previous years the Division again accounted for subsidy on the basis of commercial rates instead of on the basis of full hire rates of the machines. Had the subsidy been accounted for correctly the net profit would have been reduced considerably if not wiped off completely. Necessity for accounting for subsidy on full hire rates of the machines instead of accounting for subsidy on commercial rates is stressed upon the management.”

25-7-02: The Committee **settled the para with the direction** that the Finance Department and the Administrative Department should resolve the issue at the earliest.

27. Para 41: Page 40 – Issuing of 2,668 and Rs.0.738 Millions But Acknowledgements were not Obtained From Recipient Division

Audit had observed: “Stores of Rs.2.668 million and Rs.0.738 million were issued during the years 1994-95 and 1995-96 respectively by acknowledgements from the recipient divisions were not obtained. The needful maybe done now.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

28. Para 42: Page 40 – Books of Accounts have not been Maintained on Commercial Pattern

Audit had observed: “Books of accounts have not been maintained on commercial pattern. The figures have been taken from different statements/returns. The authenticity of the accounts is, therefore, doubtful. The necessity of maintaining the books of accounts on commercial pattern is stressed upon the Management.”

25-7-02: The Committee **noted** the para as it had already forwarded its recommendations to the Finance Department with reference to its Report for the year 1996-97.

29. Para 43: Page 40 – Reconciliation of Figures may be Shown to Audit

Audit had observed: “Reconciliation of figures of expenditure and income between Department and District Accounts offices have not been shown to Audit. The reconciliation of figures if not already conducted may be done now and compliance be shown to Audit.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

30. Para 44: Pages 41-42 – Working Results of Agricultural Engineering, DG Khan Division, DG Khan for the Year 94-95

25-7-02: The Committee **noted** the working results.

31. Para 45: Page 42 – Reconciled Statements were not Shown to Audit Amounting to Rs.32,562

Audit had observed: “The withdrawals from treasury Rs.32.562 million and remittances into treasury Rs.30.816 million were stated to have been reconciled but reconciled statements were not shown. The reconciliation with concerned treasuries and its verification by Audit is stressed.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

32. Para 46: Page 42 – Issuing of Rs.8.644 and 0.311 Million to Other Division But Acknowledgements were not Shown to Audit

Audit had observed: “Stores Rs.8.644 million and Rs.0.311 million were received and issued to other divisions in 1994-95 but details of stores received and issued along with documentary evidences of confirmation/acknowledgement were not shown in the absence of which whole the transactions considered unauthentic.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

33. Para 47: Page 42 – Division Consumed Boring Material Worth Rs.144,953 Without any Income

Audit had observed: “In the year under review the Division consumed boring material worth Rs.144,953 without any income. The well drilling Section of the Division was separated and started its functions under the Agricultural Engineer (Well Drilling), Multan since July 1, 1994. Thus showing the consumption of boring material in the accounts of the Division was not justified. Similarly the Division also supplied POL to the machines of the Agricultural Engineer (Training), Multan in 1994-95 (This has not been shown separately in the accounts) which was also separated from the Division with effect from July 1, 1994. The consumption of boring material and issuance of POL to the Agricultural Engineer (Training), Multan without raising any debit to the concerned divisions need to be justified.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

34. Para 48: Page 42 – The Accuracy of Accounts are Doubtful

Audit had observed: “The Division has not maintained its books on commercial pattern. The accounts for the year have been prepared with the help of various statements and schedules. The accuracy of accounts is open to doubt. Preparation of books of accounts on commercial pattern is again stressed.”

25-7-02: The Committee **noted the para** as it had already forwarded its recommendations to the Finance Department with reference to its Report for the year 1996-97.

35. Para 49: Pages 43-44 – Working Results of Agricultural Engineering, Faisalabad Division, Faisalabad for the years 1994-95 and 1995-96

25-7-02: The Committee **noted** the working results.

36. Para 50: Page 44 – Issuing to Rs.9.487, 18.258 Million to Other Division But no Acknowledgements were Obtained From the Concerned Department

Audit had observed: “Stores of Rs.4.177 million and Rs.1.616 million in 1994-95 and 1995-96 respectively were received from other Divisions. Similarly stores of Rs.9.487 million and Rs.13.258 million were sent out of the Division in 1994-95 and 1995-96 respectively but no confirmation/acknowledgements were obtained/reconciled from the concerned division. The needful may be done now.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

37. Para 51: Page 44 – Consolidation Register was not Maintained

Audit had observed: “No consolidated register on the divisional level showing the historical cost of each asset, its date of acquisition, addition during the year, depreciation for the year accumulated depreciation and written down value was maintained. The needful may be done now.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

38. Para 52: Page 44 – Book of Accounts have not been Maintained on Commercial Pattern

Audit had observed: “Like previous years the books of accounts have not been maintained on commercial pattern. The accounts have been prepared from different statements and returns as such the authenticity of these accounts is doubtful. Necessity of maintaining of account on commercial pattern is stressed upon the Management.”

25-7-02: The Committee **noted the para** as it had already forwarded its recommendations to the Finance Department with reference to its Report for the year 1996-97.

39. Para 53: Pages 45-46 – Working Results of Agricultural Engineering, Gujranwala Division, Gujranwala for the year 1994-95

25-7-02: The Committee **noted** the working results.

40. Para 54: Page 46 – Withdrawal of Rs.17.494 Million But Reconciled Statements were not Shown to Audit

Audit had observed: “Withdrawal from treasuries/book adjustments of Rs.17.494 million and remittances into treasuries Rs.9.556 million were stated to have been reconciled but reconciled statements were not shown. The reconciliation with concerned treasuries and its verification by Audit is stressed.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

41. Para 55: page 46 – Issuing of Rs.2,200 Million to Other Divisions But Acknowledgements were not Shown to Audit

Audit had observed: “Stores/Assets Rs.2.200 million and Rs.2.929 million were received and issued to other divisions in 1994-95, but details of stores/assets received and issued along with documentary evidences of confirmation/acknowledgements were not shown and in the absence of which whole the transactions considered unauthentic.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

42. Para 56: Page 46 – Books of Accounts have not been Maintained on Commercial Pattern

Audit had observed: “The Division has not maintained its books on commercial pattern. The accounts for the year have been prepared with help of various statements and schedules. The accuracy of the accounts is open to doubt. Preparation of books of accounts on commercial pattern is again stressed.”

25-7-02: The Committee noted the para as it had already forwarded its recommendations to the Finance Department with reference to its Report for the year 1996-97.

43. Para 57: Pages 47-48 – Working Results of Agricultural Engineering, Jhelum Division,

Jhelum for the years 1992-93 and 1993-94

25-7-02: The Committee **noted** the working results.

44. Para 58: Page 48 – The Figures of Income & Expenditure for the Year 1992-93 and 1993-94 were not Reconciled

Audit had observed: “The figures of income and expenditure booked in the accounts for the years 1992-93 and 1993-94 were not reconciled with the concerned District Accounts Offices as no proof in its support was produced to Audit. The needful may be done now.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

45. Para 59: Page 48 – Books of Accounts have not been Maintained on Commercial Pattern

Audit had observed: “The books of accounts have not been maintained on commercial pattern. The accounts have been prepared from various returns and statements and therefore, the accuracy of these accounts is open to doubt. Necessity of preparation of books of accounts on commercial pattern is stressed upon the Management.”

25-7-02: The Committee **noted the para** as it had already forwarded its recommendations to the Finance Department with reference to its Report for the year 1996-97.

46. Para 60: Pages 49-50 – Working Results of Agricultural Engineering, Rawalpindi Division, Rawalpindi for the years 1994-95 and 1995-96

25-7-02: The Committee **noted** the working results.

47. Para 61: Page 50 – Issuing of Rs.451,383 and Rs.20,746 to Other Divisions But Acknowledgements were not Obtained From Concerned Divisions

Audit had observed: “Stores of Rs.265,296 and Rs.572,129 were received from other division and sources during the years, 1994-95 and 1995-96. Similarly stores of Rs.451,383 and Rs.20,746 were transferred to

other division. However, no confirmation/acknowledgements were obtained from the concerned divisions. Needful may be done now.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

48. Para 62: Page 50 – The Figures & Expenditure were not Reconciled

Audit had observed: “The figures of remittance and expenditure were not reconciled with the concerned district accounts offices as no proof of their verification/reconciliation with Dos was produced to Audit. The needful may be done now.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

49. Para 63: Page 50 – Books of Accounts have not been Maintained on Commercial Pattern

Audit had observed: “The books of accounts have not been maintained on commercial pattern. The accounts have been prepared from different statements and returns and therefore the authenticity of accounts is doubtful. Necessity of maintenance of accounts on commercial pattern is stressed upon the management. The consolidated assets register showing the historical cost of each asset, date acquisition of each asset, depreciation for the year accumulated depreciation and written down value has not been maintained on Divisional level. The needful may be done now.”

25-7-02: The Committee **noted the para** as it had already forwarded its recommendations to the Finance Department with reference to its Report for the year 1996-97.

50. Para 64: Pages 51-52 – Working Results of Agricultural Engineering, Sargodha Division, Sargodha for the year 1994-95

25-7-02: The Committee **noted** the working results.

51. Para 65: Page 52 – Machines May be Disposed of at the Earliest

Audit had observed: “Out of 27 machines shown under repair, 14 machines were standing for auction. These machines may be disposed of at the earliest and sale proceeds deposited into Government treasury under intimation to Audit.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

52. Para 66: Page 52 – Received Rs.3,792,384 From Other Sources But no Reconciliation was Conducted With the Concerned Quarters

Audit had observed: “Stores of Rs.3,792,384 were received from other sources during the year, 1994-95 but no reconciliation was conducted with the concerned quarters. The needful may be done now.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

53. Para 67: Page 52 – Consolidated Register has not been Maintained

Audit had observed: “Although the Assets Register was maintained on district level yet the consolidated register on divisional level showing the historical cost of each asset, the date of its acquisition, depreciation for the year, accumulated depreciation and written down value has not been maintained as yet. Need for preparation of consolidated Asset Register on divisional level is stressed upon the management.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

54. Para 68: Page 52 – Books of Accounts have not been Maintained on Commercial Pattern

Audit had observed: “As pointed out repeatedly, the books of accounts were not maintained on commercial pattern. The accounts have been prepared from different statements and returns. As such the authenticity of these accounts are doubtful. Need for maintenance of books of accounts on commercial pattern is again stressed upon the Management.”

25-7-02: The Committee **noted the para** as it had already forwarded its recommendations to the Finance Department with reference to its Report for the year 1996-97.

55. Para 69: Pages 53-54 – Working Results of Agricultural Engineering, Talagang Division, Talagang for the year 1994-95

25-7-02: The Committee **noted** the working results.

56. Para 70: Page 54 – Accounting for Subsidy on the Basis of Commercial Rates Instead of Full Hire Charges

Audit had observed: “The subsidy has been accounted for in the accounts on the basis of commercial rates. Had the subsidy been accounted for on the basis of full hire charges the profit would have completely been wiped off. Authority for charging subsidy on the basis of commercial rates may be quoted as the treatment of subsidy in accounts in the above manner is against the general principles of accounts.”

25-7-02: The Committee **settled the para** with the direction that the Finance Department and the Administrative Department should resolve the issue at the earliest.

57. Para 71: Page 54 – The Details of Recoverables Amounting to Rs.10.103 Million and Advances From Zamindars of Rs.0.857 have not been Maintained Properly

Audit had observed: “The details of recoverables from zamindars Rs.10.103 million and advances from zamindars of Rs.0.857 million as on June 30, 1995 were not provided. The preparation of details showing the names of zamindars with date against whom amount is outstanding and who have deposited in advance along with brief history of each case is stressed upon the Management.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

58. Para 72: Page 54 – Increase in POL Stock From 0.550 Million to Rs.1.717 Million

Audit had observed: “The stock of POL increased from Rs.0.550 million as on June 30 1994 to Rs.1.717 million as on June 30 1995. The increase in stock of POL by 212.18% when machines in operation were decreased needs to be justified.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

59. Para 73: Page 54 -Books of Accounts have not been Prepared on Commercial Pattern

Audit had observed: “The Division has not so far prepared its books of accounts on commercial pattern. The accounts of the year have been prepared from various statements and returns. Thus accuracy of accounts is open to doubt. Preparation of books of accounts on commercial pattern is again stressed.”

25-7-02: The Committee **noted the para** as it had already forwarded its recommendations to the Finance Department with reference to its Report for the year 1996-97.

60. Para 74: Pages 55 – Working Results of Punjab Agricultural Development and Supplies Corporation for the year 1995-96

25-7-02: The Committee **noted** the working results.

61. Para 75: Page 55 – Authenticity of Investment of Rs.221.917 Million Remained Unverified

Audit had observed: “Gratuity Investment Fund stood at Rs.221,917 million on 30 June 1996. The certificates obtained from the Financial Institutions in support of the above investment were neither provided nor documentary evidence for the purchase of these certificates were shown to Audit. Hence the authenticity of this investment remained unverified.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

62. Para 76: Page 56 – The Corporation Claimed Rs.11.300 Million From Different Banks Due to Late Transfer of Corporation Funds

Audit had observed: “The Corporation claimed Rs.11.300 million from different banks due to late transfer of Corporation funds to the main accounts of PAD&SC maintained with the banks. The Corporation had been persistently pursuing the cases with the banks but no progress was made. Eventually the Corporation debited the interest charges to the concerned banks and reduced the balance of the over drafts payable to these banks. Thus the credit balance of bank accounts stood at Rs.78.950 million as on 30 June 1996 do not tally with the balances appearing in the books of the banks. Necessity of showing the interest with the balances appearing in the books of the banks. Necessity of showing the interest charges of Rs.11.300 million need to be exhibited clearly on the asset side of the balance sheet.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

63. Para 77: Page 56 – Losses of Fertilizers & Seed Amounting to Rs.110.081 and Rs.5.526 Million

Audit had observed: “Losses of fertilizers and seed amounting to Rs.110.081 million and Rs.5.526 million on 30th June, 1996 respectively for which provision were made in accounts have neither been recovered nor regularized. The needful may be done now.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

64. Para 78: Page 56 – Sundry Debtors Reduced From Rs.146.907 to Rs.142.945 Million

Audit had observed: “Sundry debtors although reduced from Rs.146.907 million on 30 June 1995 to Rs.142.945 million on 30 June 1996 yet in view of their size, concerted efforts need be made to accelerate the pace of recovery.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

65. Para 79: Page 56 – Receivable Accounts – Rs.13.863 Million

Audit had observed: “Accounts receivable stood at Rs.13.863 million on 30 June 1996. Although the year-wise/date-wise details of these receivable were not provided...Necessity for early recovery of these receivables is impressed upon the Management. Year-wise analysis of the receivables may also be prepared so that the prospects of their recovery could be ascertained.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

66. Para 80: Page 57 – Working Results of Punjab Seed Corporation Lahore for the year 1995-96

25-7-02: The Committee **noted** the working results.

67. Para 81: Page 58 – Capital Work in Progress – Rs.67.254 Million

Audit had observed: “Capital work in progress was Rs.67.254 million on June 30, 1996 as compared Rs.23.582 million on June 30, 1995. The reasons of non capitalization of work in progress were stated to be non availability of assets for use. The nature of capital work in progress and reasons for inordinate delay in completion of work need be stated.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

68. Para 82: Page 58 – Justification of Purchases in Excess of Requirements – Rs.60.479 to 84.918 Million

Audit had observed: “Stores increased from 60.479 million as on June 30, 1995 to Rs.84.918 million as on June 30, 1996. The increase in stores was due to 39.88% increase in packing material, 95.47% in pesticides and 96.83% in fertilizers which rose from Rs.38.333 million, Rs.8.414 million and Rs.3.948 million in 1994-95 to Rs.53.622 million, Rs.16.447 million and Rs.7.773 million in 1995-96 respectively

which indicates that the purchases were made during the year in excess of the requirements and huge balances were left unused on the closing day of the year which needs to be justified.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

69. Para 83: Page 58 – Abnormal Increase in Trade Debts – Rs.7.250 to Rs.12.988 Million

Audit had observed: “Trade debts stood at Rs.12.988 million on June 30 1996 as compared Rs.7.250 million as on June 30, 1995. Such an abnormal increase in trade debtors needs to be justified and efforts need to be made to recover the same as early as possible to avoid their turning into bad debts. Moreover, year-wise/party-wise analysis of these outstanding/debts is once again stressed upon the Management.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Board of Revenue

Overview

Total Paras	Civil	Revenue receipts
20	9	11

Abstract

Status	Decision	Para Nos.	Total
Paras Conditionally Settled 17	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9.	9
		Revenue Receipts: 6.1 (A) (a, b, c, d, e & f), 6.2(A) (b), 6.2 (B).	8
Paras Pended 3	Paras pended with the direction that the SDAC shall consider the matter and submit its report for consideration by the Committee.	Revenue Receipts: 6.1(B), 6.2 (A) (a, c).	3

Discussed on 18 and 25 July 2002

Civil Audit

1. Para 3.1: Page 50 – Non-recovery of Lease Money of Katchery Compound – Rs.298,125

Audit had observed: “The scrutiny of Nazarat Branch record revealed that Katchery compound of Deputy Commissioner was rented out to various contractors, petition writers and stamp vendors, but the lease rent was not recovered which resulted into loss to Government amounting to Rs.298,125.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para 3.2: Pages 50-51 – Non-recovery of Lease Rent of Katchery Compound Amounting to Rs.113,000 + 19,500=132,500

Audit had observed: “The scrutiny of record showed that the amount to the stated extent on account of lease rent of Katchery compound was not recovered from the contractors which resulted a loss to Government amounting to Rs.132,500 under the charge of DC Khanewal during 1993-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 3.3: Page 51 – Non-recovery of Lease Rent – Rs.23,000

Audit had observed: “The scrutiny of record showed that the amount to the stated extent was not recovered from the contractors on account of lease rent of Katchery compound which resulted into loss to Government amounting to Rs.23,000.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para 3.4: Pages 51-52 – Non-recovery of Rent of Katchery Compound – Rs.62,500

Audit had observed: “An examination of record of the formation showed that an amount of Rs.165,500 was recoverable during the period 1995-96 on account of rent of Katchery compound. Out of this amount only 103,000 were recovered leaving balance of Rs.62,500 which resulted into loss to Government to the stated extent under the charge of DC RY Khan during 1994-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 3.5: Page 53 – Non-recovery of Rent of Katchery Compound – Rs.46,000

Audit had observed: “A scrutiny of Katchery compound Registrar revealed that form shops were auctioned for Rs.101,500 out of which Rs.55,500 had been recovered during 1994-95. A balance of Rs.46,000 was still recoverable. It resulted into loss to Government to the stated extent under the charge of Deputy Commissioner, Chakwal during 1994-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 3.6: Pages 53-54 – Non-recovery of Lease Money of Katchery Compound Amounting to Rs.85,580

Audit had observed: “A scrutiny of record of DC Vehari and AC Burewala revealed that contract money of canteen and printed forms in addition to fixed rent from stamp vendors to the stated extent was not recovered which resulted into loss to Government of Rs.85,580.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para 3.7: Page 54 – Recoverable Amount to Rent of Katchery Compound Amounting

to Rs.242,925

Audit had observed: “The examination of record showed that various contracts were awarded on account of rent of Katchery compounds at Sheikhupura, Ferozewala and Nankana Sahib during the financial year 1994-95 but rent to the stated extent was still outstanding in violation of terms and conditions of the contract.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para 3.8: Pages 54-55 – Non-recovery of Rent of Katchery Compound – Rs.48,275

Audit had observed: “An examination of record revealed that lease money of the Katchery compound to the stated extent was not recovered and deposited into Government treasury in contravention of Rule 7.1 of STR. It resulted into loss to public exchequer of Rs.48,275.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 3.9: Page 55 – Recoveries Outstanding from the Lawyers – Rs.57,500

Audit had observed: “The examination of record showed that Lawyers were not paying rent of their chambers which resulted in a loss of Rs.57,500 to Government.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Revenue Receipts Audit

1. Para 6.1 : Pages 19-24 – Stamp Duty and Registration Fee

(A) Non-realization of Stamp Duty and Registration Fee – Rs.10,710,950

(a) Due to Irregular Exemption of Stamp Duty and Registration Fee – Rs.2,267,366

(b) Due to Application of Incorrect Rate in the Cases Where Power of Attorney was Given for Consideration – Rs.3,031,716

(c) Due to Misdeclaration of the Documents – Rs.1,868,651

(d) Non-realization of Stamp Duty on Trust Deeds – Rs.3,244,562

25-7-02: On consideration of the facts of the case, **the Committee settled**

the paras subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

(e) Non-realization of Stamp Duty Due to Non-affixing of Non-judicial Stamps – Rs.72,335

Audit had observed: “Sub-Registrar Chishtian, under the administrative control of Board of Revenue (Punjab) registered mortgage deeds on blank papers without charging any stamp duty. This resulted in loss of Rs.72,335 during 1992-93...The matter was also discussed in Departmental Accounts Committee meeting held in December 1995 in which the Department was directed to recover the Government dues as arrears of land revenue within two weeks.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

(f) Non-realization of Stamp Duty on Title Deeds – Rs.226,320**25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

(B) Short Realization of Stamp Duty and Registration Fee – Rs.15,042,827

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

2. Para 6.2: Pages 30-34 – Collection of Abiana

(A) Non-realization of Occupier Rate (Abiana) – Rs.29,285,417

(a) Due to Non-recovery of Arrears of Water Rate – Rs.12,917,223

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

(b) Due to Omission in Carrying Forward of Outstanding Balance – Rs.2,594,249

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

(c) Non-recovery of Rs.13,773,945 on Account of Additional Surcharge

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

(B) In-admissible Allowance of Lambardars Fee – Rs.264,836

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Communications and Works Department

Overview

Total Paras	Civil	Works
47	1	46

Abstract

Status	Decision	Para Nos.	Total
16	Paras finally settled as the requisite action had been taken.	Works (Buildings): I-A.3, I-B.3, II-A.2, III-A.2, III-C.1, IV-1, V-1.	7
		Works (Highways): I-A.1, II-B.1, II-C.1, III-C.1, IV-A.2, V-A.2, V-B.1,	7
		Annexure Paras: II-44, IV-13.	2
31	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months..	Civil: 4.1	1
		Works (Buildings): I-A.1, I-A.2, I-B.1, I-B.2, II-A.1, II-B.1, II-C.1, III-A.1, III-B.1.	9
		Works (Highways): I-A.2, I-A.3, I-B.1, II-A.1, II-A.2, II-B.2, II-D.1, II-E.1, III-A.1, III-A.2, III-B.1, III-B.2, III-B.3, III-D-1, III-E.1, IV-A.1, IV-B.1, V-A.1, V-C.1.	19
		Annexure Paras: II-41, II-43.	2

Discussed on 7 September and 4 October, 1999, 18 and 25 July 2002

Civil Audit

1. Para 4.1: page 57 – Overpayment of Rs.42,462

Audit had observed: “Five officials were overpaid salaries due to wrong award of scale or

wrong fixation of pay as pointed out by pay fixation party of AG Punjab Lahore. It resulted into excess payment to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Buildings Department Works Audit

1. I-A.1: Page 40 – Excessive Measurements – 1st Provincial Buildings Division Rawalpindi – Rs.6,507,254

Audit had observed: “A division measured and paid fabrication of steel reinforcement @ 4.57 Kg per Cft of reinforced cement concrete work against the provision of 3.71 Kg per Cft made in the DNIT/contract agreement. The excessive consumption of steel resulted in an excess payment of Rs.6,507,254 in December 1992.”

4-10-99: The Department explained that quantities in DNIT were taken on the basis of design prepared by Engineering Staff of the Ist Provincial Buildings Division, Rawalpindi. At the time of execution, the design of structure was entrusted to M/s Hashim Associates and the work was executed on the basis of design prepared by the said consultants. The estimate was technically sanctioned after the approval of WCNEC. The steel was used as per actual measurement and design and no excess payment was involved.

The PAC directed that relevant record i.e. contract agreement, BOQ, final bill, measurement books and bar binding schedules may be produced to Audit for verification in support of contention of the Department. The para was kept pending.

25-7-02: Reiterating the decision of the PAC dated 4 October 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

2. I-A.2: Page 40 – Excessive Measurements – 6th Provincial Buildings Division Lahore – Rs.6,658,994

Audit had observed: “A division measured and paid consumption for laying reinforced cement concrete 1:2:4 and fabrication of mild steel reinforcement abnormally on higher side against the provision of approved design and technical sanctioned estimate. This resulted in an excess payment of Rs.6,658,994 in April 1995.”

4-10-99: The Department explained that originally the scheme was approved for Rs.459.00 lac. Later on as per directive of High Court Authorities, the client Department, the scope of the scheme was revised and the scheme was Administratively approved for Rs.752.22 lac. The revised Administrative Approval was accorded by the Registrar Lahore High Court Lahore. The work was got executed accordingly. The revised detailed estimate had been prepared as per actual work done. The detailed estimate was under the process of revised technical sanction approval of which was pending for receipt of report from Director Buildings Research Station, Lahore.

The PAC directed that final Technical Sanction alongwith record may be produced to Audit for verification. The para was kept pending.

25-7-02: Reiterating the decision of the PAC dated 4 October 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para I-A.3: Page 41 – Excessive Measurements Ist Provincial Buildings Division Lahore – Rs.285,824

Audit had observed: “A division made payment for special machine made bricks for which no provision existed in the contract agreement and technically sanctioned estimate. This resulted in an excess payment of Rs.285,824 in June 1992.”

4-10-99: The Department explained that Secretary Excise & Taxation, the Client Department, desired for the provision of “Special Face Work”. For this purpose the work drawing was proposed by the Chief Architect. Accordingly, Administrative Approval to the estimate was accorded by the client Department. The revised estimate was technically sanctioned by the Chief Engineer concerned. The rate for the said item of work was also got approved from the Competent Authority. Since the work had been executed at the expressed desire of client Department after observing all codal requirements, therefore, there was no irregularity involved. The Department requested that the para my be settled.

The PAC accepted the explanation and **settled the para.**

4. Para I-B.1: Pages 41-42 – Payments at Higher Rates 4th Provincial Buildings Division Lahore – Rs.1,129,549

Audit had observed: “A division paid two extra items (as non-schedule) for shuttering along with item of work reinforced cement concrete 1:2:4 etc. (item No.5 (c) at page 53 of Composite Schedule of Rates 1979). The rate for the item reinforced cement concrete includes the element of shuttering. Hence it was not required to be paid separately. Thus payment of Rs.1,129,549 paid for extra shuttering resulted in an overpayment to contractor in October 1993.”

4-10-99: The Department explained that construction work of MPA Hostel was a project of national significance and was completed with typical structural design. For this purpose a whole time consultant was engaged. The execution of the non-schedule items was inevitable. As per advice of the consultant, the design required irremovable shuttering for inner column and typical shuttering for exterior design for which separate non schedule items were involved. The analysis of rates was prepared and approved by the SE concerned. The provision was also made in the estimate.

The PAC settled the para subject to verification of relevant record by Audit.

5. Para I-B.2: Pages 42-43 – Payments at Higher Rates – Allama Iqbal Medical College Division Lahore – Rs.242,620

Audit had observed: “A division paid excessive/incorrect rate of Rs.49 per Sft for providing and laying of grill of mild steel square bars of 5/16” x 5/16” including 3 coats of painting. This resulted in an overpayment of Rs.242,620 to contractor in September and October 1992.”

4-10-99: The Department explained that nomenclature of the item N-S-6 in the acceptance letter issued to the contractor was “P/F steel grill of M/s Square Bar 5/16” as per drawing complete i/c 3 coats of painting @ Rs.49 per Sft which was accordingly executed by the contractor at site and paid accordingly. Therefore, the payment was quite in order without the involvement of any overpayment.

Audit apprised the PAC that after verification of record the recovery had been concluded as Rs.98,930 instead of Rs.242,620.

The PAC directed that overpaid amount of Rs.98,930 may be recovered and got verified by Audit. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 October 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para I-B.3: Page 43 – Payments at Higher Rates – 9th Provincial Buildings Division Lahore – Rs.206,661

Audit had observed: “A division made payment for “Providing & laying computer curting 1/2” thick cement sand mortar 1:2 etc. KHARGOSHI BOTI SINA 3/4” thick” @ Rs.113 per Sft (RR) as non-scheduled item instead of approved rate of Rs.93 per Sft provided in the revised technically sanctioned estimate. This resulted in an excess payment of Rs.206,661 in May 1995.”

4-10-99: The Department explained that the rate provided in the estimate was just for estimation purposes. The revised estimate was prepared as per orders of the Project Director and Consultant to improve the quality of work. Technical Sanctioned Estimate was accordingly increased and was approved by the SE concerned. Thus there was no excess payment involved.

The PAC accepted the explanation and **settled the para.**

7. Para II-A.1: Page 44 – Non-recovery of Professional Tax – Ist Provincial Buildings Division Lahore – Rs.174,500

Audit had observed: “A division failed to recover the professional tax from various contractors as required under section-3 of the Punjab Finance Act 1977. This resulted in Non-recovery of Rs.174,500 of Government dues from 1984-85 to 1988-89...The matter was brought to the notice of the Administrative Secretary in March 1995 and also discussed in the Departmental Accounts Committee meeting in September 1994. No progress towards recovery was intimated.”

4-10-99: The Department explained that a sum of Rs.32,666 had been recovered and balance recovery was being pursued for early realization.

The PAC directed that recovery so far effected may be got verified by Audit and balance may be made good without loss of time. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 October 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para II-A.2: Page 45 – Non-recovery of Professional Tax – 5th Provincial Buildings Division Lahore – Rs.131,000

Audit had observed: “A division failed to recover professional tax from various contractors as required under section-3 of the Punjab Finance Act 1977. This resulted in Non-recovery of Rs.131,000 of Government dues from 1987-88 to 1992-93...The matter was reported to the Administrative Secretary in March 1995 and also discussed in the Department Accounts Committee meeting in September 1994. The Department was pressed for early recovery but no progress towards recovery was intimated.”

4-10-99: The Department explained that a sum of Rs.70,000 had been recovered and the balance recovery of Rs.61,500 was being pursued for early realization.

The PAC directed that recovery so far effected may be got verified by Audit and balance amount may be made good without loss of time. The para was kept pending.

25-7-02: The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Department to have deducted the same at source. **The para was settled.**

9. Para II-B.1: Page 45 – Outstanding Government Dues – Provincial Buildings Division Jhang – Rs.344,000

Audit had observed: “A division failed to recover the amounts outstanding against various officers/officials/contractors since June 1959 to April 1993. This resulted in Non-recovery of

Rs.344,000.”

4-10-99: The Department explained that a sum of Rs.55,019 (13545 + 13394 + 28080) had been recovered or adjusted. Write off case for a sum of Rs.15,142 was in process. The remaining recovery was being pursued for early finalization.

The PAC was not satisfied with the explanation and directed that an enquiry may be conducted and factual position with regard to the outstanding recovery may be presented to the PAC in the next meeting. The recovery so far effected may be got verified by Audit. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para II-C.1 Page 46 – Risk and Cost Charges – Provincial Buildings Division Sahiwal – Rs.137,669

Audit had observed: “A division failed to recover the differential cost from the defaulting contractors on whose risk and cost works were got executed from others. This resulted in Non-recovery of Government dues amounting to Rs.137,669 in May and June 1995.”

4-10-99: The Department explained that actual recoverable amount worked out to Rs.137,161 instead of Rs.137,669 as shown by Audit. A sum of Rs.101,484 had been recovered. All out efforts were underway for the balance recovery.

The PAC directed that:-

(i) final bill of the contractor, from which the amount of Rs.70,424 had been recovered may be got verified by Audit.

(ii) the balance amount may either be recovered or got written off by the Competent Authority. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 October 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para III-A.1 Page 47 – Acceptance of Tenders at Higher Rates – 4th Provincial Buildings Division Lahore – Rs.2,948,000

Audit had observed: “Delegation of Financial Powers Rules 1990 provides that the accepted tendered amount would not exceed by more than 4.5% of the amount of technical sanction. A division accepted tenders for a work at 26.49% above the technically sanctioned estimate. The

excess over technical sanction resulted in a loss of Rs.2,948,000 to Government in June 1992.”

4-10-99: The Department explained that external development of MPA Hostel was the part of main estimate. For this part the estimate was technically sanctioned by the CE concerned for Rs.1,407,3000. Out of this amount the cost of lift and lift dumb waiter was Rs.42.32 Lac for which separate tenders were called and the remaining work of external development was Rs.99.10 Lac including therein the contingency of Rs.3.12 Lac and permissible cushion of Rs.4.27 Lac @ 4.5%. Against the said amount of Rs.99.10 Lac the contract was awarded for Rs.98.95 Lac. If the contingency of work was not utilized the cost of work would have increased. Utilization of contingency was quite in accordance with the decision of P&D taken in the meeting dated 24.4.1989. Therefore, no excess payment was involved.

The PAC directed that sanction for relaxation for acceptance of tenders @ 18.28% above the permissible limit of 4.5% in violation of Finance Division’s Notification dated 7.1.92 may be sought from the Finance Department. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 October 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para III-A.2 Pages 47-48 – Loss of Rs.2,173,955 Due to Acceptance of Tenders at Higher Rates – 9th Provincial Buildings Division Lahore

Audit had observed: “A division rounded the rates of certain non-schedule item of works included in an estimate abnormally to the extent of 5.87% of their actual cost. This not only exaggerated the amount of technical sanction but also camouflaged the acceptance of lowest tender at higher rates which worked out to 8.27% above the amount of technical sanction computed on the basis of actual cost of non schedule items without rounding their rates. Thus, the acceptance of lowest tender was in contravention of the provisions of Delegation of Financial Powers Rules, 1990 which authorized the engineering Departments to accept lowest tender at 4.5% above the amount of technical sanction. This resulted in a loss of Rs.2,173,955 to government in December 1992.”

4-10-99: The Department explained that the item rates, provided in the TS estimate were exhibited as final rates in the DNIT and the contractor quoted only premium on various sub heads keeping in view the fixed item rates. If the item rates had been lesser then the contractor must had quoted higher premium on CSR portion. The financial comparison with approved provisions in the PC-I showed 4.10% excess which was less than permissible limit of 4.5%. Hence no excess payment was involved.

The PAC accepted the explanation and the **para was settled.**

13. Para III-B.1 Pages 48-49 – Payment Without Provisions – 1st Provincial Buildings Division Rawalpindi – Rs.1,200,213

Audit had observed: “A division made payment on account of carriage of excavated earth at a distance of seven miles without showing its location of being dumped as required under Administrative Department’s instructions of October 1988 and without provisions in the D.N.I.T. and agreement. This resulted in a loss of Rs.1,200,213 to Government in November and December 1992.”

4-10-99: The Department explained that group wise provision of carriage for disposal of surplus excavated earth from site of work to out side from the municipal and cantonment board area had been provided in the TS. Estimate, which was sanctioned by the Chief Engineer concerned.

The PAC directed that Administrative Secretary should himself probe into the matter to ascertain the factual position with regard to the provision for carriage of earth in the rough cost estimate, PC-I, Administrative Approval and lead chart. The location of dumping the earth indicating the name of the owner, village and khasra No. thereof may also be indicated. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

14. Para III-C.1 Page 49 – Loss of Measurement Books 2nd Provincial Buildings Division Multan

Audit had observed: “In a division five number measurement books were lost in October 1995. The loss was neither reported to Audit nor departmental investigations were carried out to fix the responsibility.”

4-10-99: The Department explained that write off sanction of the measurement books had since been accorded by the Competent Authority.

The PAC accepted the explanation and **settled the para.**

15. Para IV-1: Pages 49-50 – Un-authorized Payment of Rs.1,858,505 – 2nd Provincial Buildings Division Lahore

Audit had observed: “A division executed a number of non-scheduled items without obtaining prior approval of the competent authority as required under the provisions of Composite Schedule of Rates 1979. This resulted in an unauthorized payment of Rs.1,858,505 in January and February 1995.”

4-10-99: The Department explained that payments of items of works involved were made according to the tender rates. The rates were approved by the Competent Authority as per competitive rates. Technical Sanction was also accorded by the CE concerned. Therefore, neither any irregularity was involved nor any un-authorized payment was made. The matter had also been verified by Audit.

The PAC accepted the explanation and **settled the para.**

16. Para V-1: Page 50 – Undue Payment – Rs.116,841 – Ist Medical Provincial Buildings Division Lahore

Audit had observed: “A division made payment to a contractor on account of price variation with the running bill in violation of Finance Department’s letter of 2nd April, 1992. This resulted in undue payment of Rs.116,941 in April 1995.”

4-10-99: The Department explained that completion of work was delayed for want of approval of non-schedule items, time extension, enhancement of agreement and revision of technical sanction etc. After fulfillment of codal formalities the work was completed on 30.6.1996. The delay was not on the part of the contractor and therefore, price variation had correctly been paid.

The PAC accepted the explanation and **settled the para.**

Highways Department

1. Para I-A.1: Page 54 – Payment of Excessive Quantities Highways Division Jhelum – Rs.94,806

Audit had observed: “A division measured and paid excessive quantities of gravel sub-base, base course and triple surface treatment (TST) than those provided in the technically sanctioned estimate in contravention of provisions of the Finance Department letter No.FD(D-11)10(3)90 of June 1991. This resulted in an excess payment of Rs.94,806 in November 1994.”

7.9.99: The Department explained that scheme of restoration of flood work of Jhelum, Pind Daden Khan road was approved by the Consultants M/S NESPAK and sanctioned by the Chief Engineer concerned. During the execution of work the said consultants were executing the checking of all running bills quantity wise and quality wise. The work was executed according to the quantities of sanctioned estimate. The work was executed within the scope of sanctioned estimate. Also the relevant record had been got verified by Audit.

The PAC accepted the explanation and **settled the para.**

2. Para I-A.2: Pages 54-55 – Payment of Excessive Quantities – Highways Division Jhelum – Rs.90,968

Audit had observed: “A division measured and paid excessive quantities of 48541 Cft and 22058 Cft for the items of sub-base and base course during running account payments as compared to final quantities of 38147 Cft and 17032 Cft actually executed at site of work. This not only resulted in an excess payment of

Rs.90,968 to the contractor but is also tantamount undue financial aid to the contractor to that extent. Furthermore, the contractor became defaulter and the balance work was allotted to another contractor at his risk and cost.”

7-9-99: The Department explained that actual recoverable amount was Rs.64,961 out of which a sum of Rs.39,370 had been recovered leaving a balance of Rs.25,592 which was also under process through arrears of land revenue.

The PAC reduced the para to Rs.25,592 and directed the Department to recover the balance amount at the earliest. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para I-A.3: Page 55 – Payment of Excessive Quantities – Highways Division Bahawalnagar – Rs.128,398

Audit had observed: “A division made payment for 11634330 Cft of earth work instead of actual quantity of 10796923 Cft due to miscalculation. This resulted in an excess payment of Rs.128,398 to the contractor...The matter was reported to the Administrative Secretary in April 1992 and also discussed in the Departmental Accounts Committee meeting held in April 1996. The Department promised to produce the final bills etc. within one month but failed to do so.”

7-9-99: The Department explained that the full amount had been recovered.

The PAC directed that relevant MB may be produced to Audit for verification and the para was kept pending.

25-7-02: Reiterating the decision of the PAC dated 7 September 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para I-B.1 Pages 55-56 – Payments at Higher Rates – Rs.308,740 – Highways Division Jhelum

Audit had observed: “A division got executed items of work carrying abnormally higher rates in excess of those provided in the bill quantities (BOQ) and made payment on tendered rates. According to the condition No.9 of the acceptance letter quantities executed in excess of those exhibited in the bill of quantities (BOQ)

were required to be paid on Composite Schedule of Rates 1979 plus permissible premium being less than the tendered rate. This resulted in an overpayment of Rs.308,740 in June 1995.”

7-9-99: The Department explained that the work was executed according to the quantities of the agreement and acceptance letter. Quantities of the completed work were well within the sanctioned estimate which were favourable comparable with the quantities of the acceptance letter. Hence there was no irregularity involved.

The PAC **settled the para subject to the verification of TS Estimate, Agreement, Acceptance Letter, BOQ, Final Bill and relevant MB by Audit.**

5. Para II-A.1: Page 57 – Non-recovery of Risk and Cost – Highways Division Jhang – Rs.452,051

Audit had observed: “A division failed to recover the differential cost of a work from defaulting contractor. This resulted in non-recovery of Government dues amounting to Rs.452,051 in June 1988...The matter was reported to the Administrative Secretary in May 1989 and also discussed in the Departmental Accounts Committee meetings in November 1994 and July 1995. The Department failed to intimate any progress in this regard.”

7-9-99: The Department explained that this para was duplication of para 1-7 for the year 1986-87 which was in process.

The PAC directed that said duplication of para may be got verified by Audit. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para II-A.2: Pages 57-58 – Non-recovery of Risk and Cost – Highways Division Khanewal – Rs.739,475

Audit had observed: “A division reallocated the balance work of a contractor under clause 3(c) at his risk and cost. Final bill of the defaulting contractor was prepared as minus for Rs.739,475 in August 1990. The Department adjusted the security of Rs.231,062 in February 1991 lying with the Department against the recoverable dues but the balance recovery of Rs.508,413 was still outstanding...The matter was reported to the Administrative Secretary in May 1991 and also discussed in the Departmental Accounts Committee meeting in May 1992. The Committee was not satisfied with the explanation of the Department regarding outstanding recovery because the Department made running payments more than the work done at site. The contractor subsequently abandoned the work. By making the payment more than work done at site, the Department put the public interest at stake. The Committee directed the Department to initiate inquiry against

officers responsible under E&D Rules and fix responsibility for the negligence up to September 1992 but this was not done.”

7-9-99: The Department explained that recovery of Rs.508,413 was under process through arrears of land revenue. An enquiry was also being conducted against Rana Shabbir Ahmad SDO and Mr Saddar ud Din Sub Engineer under E&D Rules.

The PAC directed that inquiry against the defaulters may be completed within three months and responsibility be fixed for making the payment over and above the work done. Overpaid amount may be recovered from the defaulters. Findings of the inquiry may also be reported to the PAC within the stipulated period. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para II-B.1: Page 58 – Non-recovery of Secured Advance and Interest Highways Division Jhang – Rs.580,424

Audit had observed: “A division failed to recover secured/mobilization advances from various contractors since April 1988. This resulted in non-recovery of government dues amounting to Rs.580,424.”

7-9-99: The Department explained that the amount of Rs.125,000 had since been recovered and got verified by Audit.

The PAC accepted the explanation and **settled the para.**

8. Para II-B.2: Pages 58-59 – Non-recovery of Secured Advance and Interest Highways Division Bahawalpur – Rs.201,990

Audit had observed: “A division failed to recover the interest on the mobilization advance paid to the contractor who subsequently became defaulter. This resulted in non-recovery of Government dues amounting to Rs.201,990 in February and September 1995.”

7-9-99: The Department explained that full recovery had been made out of the security deposit of the contractor.

The PAC **settled the para subject to verification of the final bill** of the contractor.

9. Para II-C.1: Page 59 – Non-recovery of Professional Tax Highways Division Jhelum – Rs.94,598

Audit had observed: “A division failed to recover professional tax from the contractors as required under

Finance Act 1977. This resulted in non-recovery of Government revenue amounting to Rs.94,598 during 1983-84 and 1985-86.”

7-9-99: The Department explained that the recoverable amount of professional tax from the contractors pertained to 1983-84. The recovery of the same was not possible after about 16 years. The concerned contractors were neither working in the Division concerned nor their names were existing on the approved list of the Department,

The PAC accepted the explanation and **settled the para.**

10. Para II-D.1: Pages 59-60 – Non-recovery of Outstanding Dues – Highways Division Sahiwal – Rs.4,127,353

Audit had observed: “A division failed to recover/adjust the amount lying outstanding in ‘Misc: PW Advances’ for the period as back as February 1967. This resulted in non-recovery of Rs.4,127,353 of Government dues...The matter was reported to the Administrative Secretary in June 1995 and also discussed in the Departmental Accounts Committee meeting in July 1996 wherein adjustment of Rs.1,567,063 was verified. The Department promised to effect the recovery of the balance amount of Rs.2,560,290 but no progress towards balance recovery was intimated.”

7-9-99: The Department explained that a sum of Rs.819,161 had been recovered leaving the outstanding balance as Rs.1,741,128. The party from whom the recovery was due had filed a civil suit against the recovery. The court decision was awaited.

The PAC directed the Department to pursue the case vigorously in the court for early decision and effort may be made for recovery. The para was kept pending.

25-7-02: The Committee settled the para with the direction that subject to the decision of the court, the recovery shall be effected and disciplinary action taken. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para II-E.1: Page 60 – Non-recovery of Hire Charges – Mechanical Maintenance Division Bahawalpur – Rs.649,939

Audit had observed: “A division failed to recover, the rental charges of machinery lent to other sister divisions for execution of works. This resulted in non-recovery of Government dues amounting to Rs.649,939.”

7-9-99: The Department explained that bills of cost had been submitted to the concerned sub-division where the work was executed and machinery was used, but the said Sub-division was not making payments.

Audit apprised the PAC that the explanation of the Department showed that no concrete steps had been taken to effect the long outstanding recoveries.

The PAC felt dissatisfied with the explanation and directed that inquiry may be conducted to fix responsibility on the officer who did not make effort for recovery as yet. The defaulting officer may be proceeded against for negligence and requisite recovery may be made good at the earliest. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para III-A.1: Page 61 – Acceptance of Tenders at Higher Rates – Highways Division Sahiwal – Rs.2,473,479

Audit had observed: “A division accepted tenders for a work at 8.37% above the revised cost of a work instead of the admissible limit of 4.5% fixed by the Government in Delegation of Financial Powers Rules 1990. This irregular acceptance of tender resulted in a loss of Rs.2,473,479 to Government in February 1991.”

7-9-99: The Department explained that as per version of Audit the excess over permissible limit had been pointed out as Rs.1,144,156. Thus the para may be reduced to Rs.1,144,156. The tender of the contractor was accepted at the tendered cost of Rs.32,014,007 against the sanctioned amount of Rs, 31,506,980 after excluding the sub works of Rs, 3,234,000. The acceptance was subject to the condition that total cost of project would not exceed 4.5% of the total cost. In this case tender was accepted with 1.61% above the sanctioned estimate. Hence there was no loss to the Government.

Audit and Finance Department were of the view that irregularity had been committed and therefore, relaxation may be sought from the Finance Department.

The PAC directed that irregularity in accepting the tender over and above the admissible limit may be got regularized by the Finance Department. Observations of the Finance Department may be produced before the PAC for final decision. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para III-A.2: Page 62 – Acceptance of Tenders at Higher Rates – Highways Division Lodhran – Rs.1,021,400

Audit had observed: “A division accepted tenders at 7.5% above the amount of technically sanctioned estimate against the permissible ceiling of 4.5% prescribed in the Delegation of Financial Powers Rules 1990. This resulted in a loss of Rs.1,021,400 to Government in May 1990...The matter was reported to the Administrative Secretary in April 1991 and also discussed in Departmental Accounts Committee meeting in May 1992 but no reply was received.”

7-9-99: The Department explained that the tender was accepted by the Competent Authority by

utilizing 2.34% contingency in view of the apprehension that non-acceptance of the bid at that stage would result in substantial increase in cost and premium. This was done merely to safeguard the Government interest.

The PAC directed that irregularity in accepting the tender over and above the admissible limit may be got regularized by the Finance Department. Observations of the Finance Department may be produced before the PAC for final decision. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

14. Para III-B.1: Pages 62-63 – Misappropriation of Government Material – Machinery Maintenance Division Lahore – Rs.1,985,549

Audit had observed: “In a division 214.55 metric ton bitumen was misappropriated by showing as despatched to another sister division through R.R. No.671725 and 671729 dated 17 April 1995 which were not related to Highways Division as per certificate obtained from the Railways authorities. This resulted in a loss of Rs.1,985,549 to Government...The matter was also reported to the Administrative Secretary in November 1995 but no action has been taken to recover the amount.”

7-9-99: The Department explained that the matter was being investigated by the Anti Corruption Department. A departmental inquiry was also being conducted and further action would be taken on receipt of inquiry report of the Department and investigation report of Anti Corruption Department.

The PAC directed to complete the departmental inquiry within two months and the para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

15. Para III-B.2: Page 63 – Misappropriation of Government Material – Machinery Maintenance Division Lahore – Rs.1,015,956

Audit had observed: “In a division 109.78 metric ton bitumen was misappropriated by recording excessive/fictitious quantities in the bitumen despatched register. A loss of Rs.1,015,956 was thus deliberately caused to the Government in February 1991.”

7-9-99: The Department explained that the matter was being investigated by the Anti Corruption Department. A departmental inquiry was also being conducted and further action would be taken on receipt of inquiry report of the Department and investigation report of Anti Corruption Department.

The PAC directed to complete the departmental inquiry within two months and the para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

16. Para III-B.3: Pages 63-64 – Misappropriation of Government Material – Highways Division Sheikhpura – Rs.197,760

Audit had observed: “A division failed to produce any consumption account of thirty-two (32) metric ton bitumen lying on material at site account. This lead to the apprehension that the said bitumen was mis-appropriated which resulted in a loss of Rs.197,760 to Government in June 1987... The matter was reported to the Administrative Secretary in March 1990 and also discussed in a Departmental Accounts Committee meeting in December 1994. It was decided that the case may be investigated and report submitted to Audit but no progress was intimated.”

7-9-99: The Department explained that 32.00 M. Ton bitumen was meant for a road length of 7 miles from Ajniawala to Gujiana Nau. Later on the said bitumen was issued to Annual Repair Programme of various roads and the same was adjusted through TE No.1 dated 31.8.88. So out of the quantity of 32.00 M.Ton a quantity of 31.15 M. Ton bitumen stood consumed on annual repair of road. The record pertaining to the remaining quantity of bitumen valuing Rs.11,433 was not available. Therefore, the para may be reduced to Rs.11,433.

The PAC directed that Road Material Register and relevant Measurement Book may be got verified by Audit. The para was kept pending.

25-7-02: Reiterating the decision of the PAC dated 7 September 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

17. Para III-C.1: Page 64 – Payment at Incorrect Rate – Highways Division Sialkot – Rs.139,810

Audit had observed: “A division provided an incorrect rate of Rs.21.05 per Cft instead of Rs.15.70 in the sanction estimate/tender documents for reinforced cement concrete (RCC) 1:2:4 precasted slabs of 4’ x 2’ x 0.5’ size placed on a drain for which no form work/horizontal shuttering was involved against which the lowest bidder quoted a rate of Rs.50 per Cft. Had the correct rate been mentioned in the tender documents, the contractor would have quoted lesser rate accordingly in his bid/tender. The provision of incorrect rate resulted in a loss of Rs.139,810 to Government in May 1993.”

7-9-99: The Department explained that item of RCC (1:2:4) having scheduled rate of Rs.21.05 per Cft had correctly been provided in approved estimate. Accordingly the contractor quoted his rate of Rs.50 per Cft which was accepted by the Competent Authority and on the basis of the same the Competent Authority sanctioned the detailed estimate. The work was done for the RCC Slabs over the opening of drain. The slab over drain could not be laid without the horizontal as well as vertical side shuttering was provided.

The PAC accepted the explanation and **settled the para.**

18. Para III-D.1: Pages 64-65 – Loss of Measurement Books – Highways Division Sahiwal

Audit had observed: “In a division two measurement books were misplaced but neither the FIR were lodged with the Police authorities nor intimated to Audit as required under codal rules.”

7-9-99: The Department explained that the matter of loss of Measurement Books was being enquired into by an inquiry officer. The findings of the inquiry would be intimated on the finalization of the said inquiry.

The PAC directed the Department to finalize the inquiry and to fix responsibility for the loss of MBs. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

19. Para III-E.1: Page 65 – Non-accountal of Government Material – Highways Division Layyah – Rs.782,100

Audit had observed: “A division issued 1547.14 metric ton bitumen from stock. Resultantly 10443 empty tar drums were required to be taken back but only 2622 empty tar drums were accounted for. Balance 7821 empty tar drums were neither taken on stock nor the cost thereof was shown recovered from the contractors. This resulted in a loss of Rs.782,100 to the Government.”

7-9-99: The Department explained that recoverable amount had since been made good.

The PAC **settled the para subject to verification of record** pertaining to recovery by Audit.

20. Para IV-A.1: Page 66 – Payment Without Provisions – Highways Division Gujrat – Rs.285,240

Audit had observed: “A division unauthorizedly measured and paid 215240 Cft earth work for embankment pertaining to a reach of road which was not approved by the Chief Engineer while according technical sanction. This resulted in an unauthorized payment of Rs.285,240 to a contractor in May 1994.”

7-9-99: The Department explained that a quantity of 2242763 Cft against the item making embankment had been made to the contractor against the quantity of 2458752 Cft provided in the TS Estimate. Hence no excess payment had been made.

The PAC **settled the para subject to verification of relevant record** by Audit.

21. Para IV-A.2: Page 67 – Payments Without Provisions Highways Division Sheikhpura – Rs.802,224

Audit had observed: “A division paid excessive quantities of work than those provided in the acceptance letter. Furthermore, technical sanction of detailed estimate was not obtained before the award of work as required under the Delegation of Financial Powers Rules 1990. This resulted in irregular payment of Rs.802,224 in May and September 1991.”

7-9-99: The Department explained that detailed estimate, including the quantity held under objection by Audit, had been technically sanctioned by the Competent Authority. Other relevant provision had also been made therein. The said record had also been got verified by Audit.

The PAC accepted the explanation and **settled the para.**

22. Para IV-B.1: Pages 67-68 – Fictitious Measurements – Highways Division Gujrat – Rs.222,600

Audit had observed: “A division measured a layer of sub-base/base course with thickness of 4” and later on a layer with thickness of 1” was measured and paid separately. Laying of sub-base/base course crushed stone with 1” thickness was not technically possible because Highways specification required to lay sub-base/base stone of 2-1/2” to 3” size and 1-1/2” to 2’ size respectively. This measuring of a layer of sub-base/base with 1” thickness was fictitious and resulted in fictitious payment of Rs.222,600 in May 1995.”

7-9-99: The Department explained that the field staff recorded the measurements of Sub Base Course and Base Course in accordance with the instructions conveyed to them by the XEN Concerned. The recorded measurements had been verified by the SDO concerned. Hence no fictitious measurement/payment was involved.

The PAC **settled the para subject to verification of relevant record** by Audit.

23. Para V-A.1: Pages 68-69 – Expenditure Without Technical Sanction – Highways Division Sheikhpura – Rs.9,153,811

Audit had observed: “A division awarded three contracts and incurred expenditure thereon without obtaining their technical sanction. Thus, the execution of the agreements was in contravention of the provisions of para 2.89 of the Punjab Public Works Department Code and para 2.82 of the Buildings & Roads Department Code. This resulted in irregular expenditure of Rs.9,153,811 in November 1991.”

7-9-99: The Department explained that estimate of the following two contract had been got technically sanctioned:-

1. Construction of Nankana Sahib, Shah Kot road from Chak No.369/GB Chak No.370/GB.

2. Construction of road from Chak No.11 to Chak No.40/RB. The cost of both the works was Rs.6,806,811. The record of the third work i.e. construction of road from Sangla Hill to Chak No.47/RB costing Rs.2,347,000 was not traceable. Therefore, the para may be reduced to Rs.2,347,000.

The PAC directed that revised TS Estimate pertaining to work Chak No.369/GB Nankana Shah Kot road and road from Chak No.11 to Chak No.40/RB may be got verified by Audit. The record of 3rd work may be traced out and produced to Audit. Amount of Rs.149,793 may be recovered from M/S Sadiq Construction Company being recoverable due to minus bill of the contractor. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

24. Para V-A.2: Page 69 – Expenditure Without Technical Sanction of Rs.59,450

Audit had observed: “A division procured certain large size plastic empty bags without obtaining its administrative approval and technical sanction from the competent authority. This resulted in an unauthorized expenditure of Rs.59,450 in September 1990.”

7-9-99: The Department explained that there was a flood emergency in 9/1990 and there was a danger of damage to the bridge. It was a top emergency situation. To cope with the said alarming situation the work was executed under para 2.82(2) of B&R code. The expenditure was debited to the contingency of the original scheme with the approval of higher authorities.

The PAC accepted the explanation and **settled the para.**

25. Para V-B.1: Page 70 – Diversion of Contingency Highways Division Sheikhpura – Rs.156,600

Audit had observed: “A division unauthorizedly diverted the contingencies of a work during June 1993 for the purchase of tyres and tubes for Motor Grader. This not only resulted in misclassification of expenditure of Rs.156,600 as chargeable to work instead of repair & maintenance of machinery but also less recovery of operation charges to that extent in respect of the said machinery/vehicle.”

7-9-99: The Department explained that the expenditure had been incurred out of the contingency of the work as per provision of the estimate for the running of vehicle. The expenditure had been directly booked to the work instead of Manufacture Account of vehicle as the same expenditure could not be met out of the account of vehicle. Payment was made with the express sanction of the SE. Highways Mechanical, Lahore, being the Competent Authority in this regard.

The PAC accepted the explanation and **settled the para.**

26. Para V-C.1: Pages 70-71 – Bitumen in Excess of Requirement – Bridge Construction Division Bahawalnagar – Rs.338,355

Audit had observed: “A division procured 73 metric ton bitumen in excess of requirement. This resulted in an infructuous expenditure of Rs.338,355 in march 1991.”...The matter was reported to the Administrative Secretary in August 1991 and also discussed in the Departmental Accounts Committee meeting held in June 1992.” A recovery of Rs.253,952 on account of cost of 154.79 metric ton bitumen was verified. Furthermore, the Department was advised to get verified the whereabouts of balance quantity of 18.21 metric ton up to the end of July 1992, but no progress was reported inspite of its discussion in the Departmental Accounts Committee meeting held in June 1996. It indicated that the balance quantity of bitumen was misappropriated.”

7-9-99: The Department explained that the matter was enquired into and it was concluded that actual recoverable amount was Rs.76,338. A sum of Rs.15,000 had been recovered and balance recovery was under process.

The PAC directed that balance recovery may be made good within six months under verification by Audit positively. The Para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

Annexure Paras

1. Para II-41(1986-87): Page 227 – Serial 1 – Excess Payment of Rs.52,191

7-9-99: The Department explained that full recovery had been made from the contractor. The PAC **settled the para subject to verification** of recovery by Audit.

2. Para II-43(1986-87): Page 227 – Serial 2 – Excess Payment of Rs.363,262

7-9-99: The Department explained that completion cost of work was Rs.7,372,521 which also included the cost of construction of road 12 feet width instead of 10 feet as provided in the Administrative Approval. Cost of the construction of road was less than the Administrative Approval.

The PAC **settled the para subject to verification of record** along with the revised TS Estimate by Audit.

3. Para II-44(1986-87): Page 227 – Serial 3 – Overpayment of Rs.251,337

7-9-99: The Department explained that full amount of Rs.251,337 had been recovered and got verified by Audit.

The PAC accepted the explanation and **settled the para.**

4. Para IV-13(1986-87): Page 227 – Serial 4 – Pilferage of Stone Amounting to Rs.423,460

7-9-99: The Department explained that relevant record was produced to Audit for verification of facts. After necessary verification the Audit had recommended the para for settlement.

The PAC accepted the explanation and **settled the para.**

Education Department

Overview

Total Paras	Civil	Commercial
57	50	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.	Commercial: 84, 90.	2
Paras Finally Settled 24	Paras finally settled as the requisite action had been taken.	Civil: 5.4, 6.2, 6.3, 6.7, 6.8(1), 6.8(2), 6.9, 6.10, 6.11(1), 6.11(2), 6.14, 6.16, 6.19, 6.21, 6.25(1), 6.25(2), 6.26(2), 6.26(3), 6.26(4), 6.27(1), 6.30, 6.32(1). Commercial: 88, 89.	22 2
Paras Conditionally Settled 29	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 5.1, 5.2, 5.3, 5.5, 6.1, 6.4, 6.5, 6.6, 6.12, 6.13, 6.15, 6.17(1), 6.17(2), 6.18, 6.20, 6.22, 6.23, 6.24, 6.25(3), 6.26(1), 6.27(2), 6.27(3), 6.28, 6.29, 6.31, 6.32(2), 7.2. Commercial: 85, 86.	27 2
Paras Pended 2	Paras pended because the Committee decided to have working papers for consideration.	Civil: 5.6. Commercial: 87.	1 1

Discussed on 1-2 June 14, September 1999 and 18 & 25 July 2002

Civil Audit

1. Para 5.1: Page 59 – Embezzlement of Government Money – Rs.77,647

Audit had observed: “A scrutiny of record revealed that the tuition fee from 5/83 to 6/95 was realized from students but the same was not deposited into Government treasury as required vide Rule 7(1) of STR which resulted a loss to public exchequer of Rs.77,647 under the charge of Headmistress during 1983-95.”

2-6-99: The Department explained that an amount of Rs.41,738 had been recovered from the pension of Mrs. Rashida Akhter Karim the then Headmistress and her pension had been held in abeyance. Efforts were being made to recover the balance amount. An inquiry was also being conducted to fix responsibility.

The PAC settled the para subject to realization of balance amount and verification of all the recovery by Audit. The PAC also directed to release the pension of said Mrs. Rashida Akhter Karim as the recovery of Rs.41,738 had been effected from her. The concerned DDOs may be served with strict warning.

14-9-99: The Department explained that an amount of Rs.41,738 had been withheld from the pension of Mrs. Rashida Akhtar Karim the then Headmistress. Regular inquiry had been conducted with the conclusion that Mr. Muhammad Younas, the then Junior Clerk was guilty and as per decision of the Authorized Officer the official was placed at the initial stage of his substantive scale. The official was further ordered to deposit the whole amount of Rs.77,647. An amount of Rs.33,860 had been recovered and efforts were being made to recover the remaining amount of Rs.43,787.

The PAC directed the Department to recover the balance amount of Rs.43,787 from Mr Muhammad Younas Junior Clerk. A high level inquiry may be conducted to decide whether the recovery from Mrs. Rashida had been correctly made. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para 5.2: Pages 59-60 – Likely Embezzlement of Tuition Fee – Rs.233,540

Audit had observed: “The scrutiny of record showed that an amount of Rs.289,307 was realized from students on account of tuition fee and shown as deposited into Government Treasury in the cash book but no challan was shown to Audit. The District Accounts Officer verified the deposit of Rs.55,767 during the period from 9/90 to 6/94 and balance amount of Rs.233,540 (Rs.289,307-55,767) has been embezzled. It resulted into loss to the stated extent under the charge of Headmaster during 1990-94.”

2-6-99: The Department explained that at the time of Audit the file containing the original deposit challan was not traceable. However, the deposit of money collected as tuition fee had been got verified by the DAO Multan and there was no embezzlement involved.

The PAC settled the para subject to verification of record by Audit regarding the deposit of tuition fee into Treasury.

14-9-99: The Department explained that the total amount had been deposited in the Treasury and got verified by the District Accounts Officer.

Audit apprised the PAC that the deposit of Rs.218,912 had been shown to Audit and deposit of Rs.14,623 was yet to be verified.

The PAC directed the Department that deposit of the balance amount of Rs.14,623 may also be shown to Audit and the para was kept pending.

18-7-02: Reiterating the decision of the PAC dated 14 September 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 5.3: Page 60 – Misappropriation of Rs.840,228

Audit had observed: “A scrutiny of assets and liabilities statement and transfer of charge report dated 5.7.1977 revealed that the assets and students funds amounting to Rs.840,288 were misappropriated.”

2-6-99: The Department explained the position as under:

(i) Misappropriation of plot – Rs.800,000

Total area in possession of school was 6 kanals and 2 marlas according to the “Jamma Bandi” of Revenue Record 1971-72. The said area stood mutated in the name of Education Department. The mutation was got carried out on 1.6.85 vide “Inteqal No.62400”. Hence no misappropriation of plot had occurred.

(ii) Fixed deposit of Rs.10,000

A sum of Rs.10,000 was deposited as “reserve fund” in the Central Cooperative Bank Gujranwala by the private management of the school prior to nationalization. Later on the Bank was dissolved. The Ex Headmaster withdrew the amount of Rs.12,191 @ sanctioned prorata of 87% and deposited the same into Government Treasury and as such there was no misappropriation involved.

(iii) Reserve Fund – Rs.11,585

This amount was drawn by the private management committee from the “Poor Fund” for making payment of salaries to the staff before nationalization. No such fund called “Poor Fund” had been maintained by the Government Institution since nationalization. Hence no misappropriation had occurred.

(iv) The balance of Union Fund – Rs.18, 643

No amount out of Union Fund had been misappropriated. The said Fund had already been examined

by Audit. The amount of Rs.18,643 had been entered in the Pass Book of National Bank of Pakistan. Hence no misappropriation was involved.

The PAC directed that the Additional Secretary Education should conduct inquiry personally to ascertain the factual position in r/o above referred 4 parts of the para. The para was kept pending.

14-9-99: The Department explained the position as under:

Item No.(i) Misappropriation of plot – Rs.800,000

The Department explained that as per directive of PAC dated 2.6.1999 an inquiry had been conducted and further action would be taken according to the findings of inquiry report.

Audit apprised the PAC that the inquiry report had not been provided to Audit for examination.

The PAC directed the Department for Denovo inquiry and report of denovo inquiry may be provided to PAC and Audit. The item was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Items No.(ii) to (iv)

The matter had been probed into and report of the probe had been received from the officer concerned. According to the report Mr Mohammad Yousaf Headmaster was held responsible for the misappropriation. The said Headmaster had since been retired from Government Service. Inquiry under pension Rules was also under process.

The PAC directed that inquiry may be completed within one month under intimation to PAC and Audit. The items were kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the items subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para 5.4: Page 61 – Non-deposit of Tuition Fee – Rs.166,594

Audit had observed: “A scrutiny of the record revealed that an amount of Rs.166,594 realized on account of Tuition Fee was shown deposited in Government account. The Treasury Challans in support of such deposits were not produced. It resulted into loss to Government to the said extent under the charge of

Headmistress Government Girls High School Ahmad Nagar during July 1990 to June 1995.”

2-6-99: The Department explained that total amount had been recovered and got verified by Audit.

The PAC accepted the explanation and **settled the para.**

5. Para 5.5: Pages 61-62 – Less Deposit of Tuition Fee Amounting to Rs.33,310

Audit had observed: “The examination of record showed that amount of Rs.39,160 on account of Tuition Fee, admission fee was required to be realized from the students during the session 1993-94 but only an amount of Rs.26,260 was deposited into Government Treasury. Similarly an amount of Rs.20,410 for the session 1991-93 was stated to have been deposited but not a single challan was produced to Audit, which resulted into loss to Government amounting to Rs.33,310 under the charge of Principal, Government Girls Higher Secondary School, Shujabad during 1993-94.”

2-6-99: The Department explained that three Junior Clerks had been held responsible for the embezzlement of Government money. Charges levelled against them had been proved and they had been dismissed from Government Service. The matter had also been reported to the Anticorruption Department. The Deputy Commissioner concerned had also been requested to effect recovery as arrears of Land Revenue. The Principal concerned had been retired from Government service and therefore, no action could be taken against her.

The PAC directed that the Department may consider making recovery of the amount from the retirement dues of the Principal concerned. The para was kept pending.

14-9-99: The Department explained that concerned District authorities had been requested to recover the Government money from the defaulters as arrears of Land Revenue. The pension case of the retired Principal could not be finalized due to some other enquiries pending against him.

The PAC directed the Department to pursue the recovery from the defaulters through arrears of land revenues. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 5.6: Page 62 – Fraudulent Drawal of Salaries and Non-recovery thereof – Rs.195,432

Audit had observed: “A scrutiny of record revealed that Four Lady Teachers maneouvered to get pay and allowance to the stated extent on bogus appointment orders. The matter was reported for action to Anti

Corruption on 12.4.1995. The fraudulent Drawal of pay etc. resulted into loss to the stated extent to public exchequer.”

2-6-99: The Department explained that four lady teachers joined duty in the school with bogus/false documents. On detection a case had been registered with the Anticorruption Department.

The PAC directed that a criminal case may be registered with the Police and case may be withdrawn from the Anticorruption. Accused lady teachers may be got arrested through the Police and Government money drawn by them fraudulently may be recovered from them. The PAC further directed that henceforth all the joining/appointing/transfer orders may be got confirmed by the higher Competent Authority before any teacher joined duty. The para was kept pending.

14-9-99: The Department explained that as per directive of PAC dated 2.6.1999 a case had been got registered with Police vide FIR No.231/99 dated 7.9.1999. Further progress was awaited.

The PAC directed that criminal case may be pursued vigorously for early results. An inquiry may also be conducted and responsibility be fixed on the defaulters for preparing bogus pay bills and making the illegal payments. The para was kept pending.

18-7-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper, containing the comments of the Audit.**

7. Para 6.1: Page 64 – Non-recovery of Government Money – Rs.123,240

Audit had observed: “A scrutiny of record of the formation revealed that the amount to the stated extent was paid to the officials on account of House Building Advance/Motor Cycle Advance but no recovery was effected from the concerned inspite of lapses of nine years which resulted a loss to Government amounting to Rs.123,240 under the charge of Deputy District Education Officer (male) Muzaffargarh.”

2-6-99: The Department explained that out of the total amount of Rs.123,240 a sum of Rs.18,172 had been recovered. A balance of Rs.59,636 was being recovered from Mr. Akhter Pervaiz in monthly installments. A balance of Rs.51, 504 was recoverable from Mr. Noor Khan Babar who had since died and further recovery was not possible.

Audit apprised the PAC that advances were granted to Mr Noor Khan in 11/87 & 1/88. The official died in 11/98 by then an amount of Rs.6,072 had been recovered. Similarly the advances to Mr. Akhter Pervaiz were granted in 9/85, 9/86 and 11/87 and upto now only Rs.12,100 had been recovered. From the pace of recovery it appeared that the concerned DDO was not watchful for recovery otherwise the recovery should had been completed so far.

The PAC directed that inquiry may be conducted by the DPI himself to ascertain as to why the recovery was not started at the proper time and why it was not pursued by the concerned accounts staff. Responsibility for the non-recovery of Government money may be fixed as the

recovery process was started after the lapse of about nine years. Why the balance amount was not adjusted against the pension/commutation of the deceased official. The DDO concerned and other responsible officials may be proceeded against for Government loss. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 2 June 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para 6.2: Pages 64-65 – Non-recovery of Interest – Rs.88,322

Audit had observed: “An amount of Rs.88,322 on account of interest on House Building Advance was not recovered. It resulted into loss to the Public exchequer to the stated extent.”

1-6-99: The Department explained that total recovery had since been effected and got verified by Audit.

The PAC accepted the explanation and **settled the para.**

9. Para 6.3: Page 65 – Non-recovery of Interest – Rs.117,215

Audit had observed: “A scrutiny of record revealed that interest on the long terms advances i.e. House Building and Motor Cycle Advance to the stated extent was not recovered. It resulted into loss to the public exchequer of Rs.117,215.”

1-6-99: The Department explained that whole the amount of Rs.117,215 had been recovered and got verified by Audit.

The PAC accepted the explanation and **settled the para.**

10. Para 6.4: Pages 65-66 – Overpayment on Account of Pay and Allowances – Rs.60,051

Audit had observed: “Overpayments on account of Pay & Allowances to the extent was not recovered. It resulted into loss to Government to the stated extent.”

1-6-99: The Department explained that total recovery had been made.

The PAC settled the para subject to verification of recovery by Audit.

14-9-99: The Department explained that a sum of Rs.52,162 had been recovered and the balance amount will be recovered in due course of time.

The PAC **settled the para subject to verification of relevant record** by Audit.

11. Para 6.5: Page 66 – Overpayment on Account of Pay and Allowances – Rs.58,246

Audit had observed: “Scrutiny of service books and their comparison with pay Roll revealed that certain officials were overpaid their salaries which amounting to Rs.14,295/50.”

2-6-99: The Department explained that an amount of Rs.43,130 had been recovered and got verified by Audit. The balance amount of Rs.15,116 was recoverable from class-IV employees which was paid to them as Conveyance Allowance during long leave. The said amount could not be recovered as class-IV employees were entitled to receive Conveyance Allowance during long leave from Government.

The PAC settled the para subject to verification of record by Audit particularly the orders about the recovery of Rs.15,116.

14-9-99: The Department explained that total recovery had since been made good.

The PAC **settled the para subject verification of total recovery** and relevant record i.e. Service Books of Mst Tanvir Naz & Hanifan Bibi, Computer changes pertaining to recovery of Rs.1,400 etc.

12. Para 6.6: Pages 66-67 – Overpayment of Pay – Recovery of Rs.72,317

Audit had observed: “The scrutiny of record revealed that overpayment of pay was made to the stated extent to various officials in excess of their entitlement which resulted into loss to Government amounting to Rs.72,317 during 1994-95.”

2-6-99: The Department explained that an amount of Rs.27,569 had been recovered and balance recovery was in process.

The PAC directed the Department to make good the balance amount and all the recovery may be got verified by Audit. DDO concerned may be served with warning to be careful in future in respect of Government money. The para was kept pending.

14-9-99: The Department explained that an amount of Rs.8,905 (Rs.2,254 + Rs.6,651) was not recoverable. An amount of Rs.6,446 (Rs.273 + Rs.2,693 + Rs.280 + Rs.3,200) had been recovered. The balance recovery was in process.

Audit apprised the PAC that actual recovery was of Rs.68,984 out of which an amount of Rs.35,943 had been recovered. Audit had verified the recovery of Rs.14,968 and Rs.20,975 were yet to be verified. Recovery of Rs.33,041 was pending.

The PAC directed that the balance amount may be made good under verification by Audit. Recovered amount of Rs.20,975 may be got verified by Audit. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 September 1999 by

31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 6.7: Page 67 – Overdrawal of Pay Amounting to Rs.26345

Audit had observed: “A scrutiny of record revealed that an amount of Rs.26,345 was paid on account of pay and allowances after retirement during the period 10.12.1995 to 29.2.1996. It resulted into loss to public exchequer to the stated extent.”

1-6-99: The Department explained that total amount had been recovered and got verified by Audit.

The PAC accepted the explanation and **settled the para.**

14. Para 6.8(1): Page 68 – Non-recovery of Government Money – Rs.27,866

Audit had observed: “The scrutiny of record of formation revealed that over payment to the stated extent was made due to wrong drawal of selection grade and fixation of pay on different occasions. It resulted into loss to government of Rs.65,473.”

2-6-99: The Department explained that selection Grade awarded to the lady teachers was quite in order and therefore, no recovery was due from them.

The PAC accepted the explanation and **settled the para.**

15. Para 6.8 (2): Page 68 – Overpayment Due to Wrong Fixation of Pay – Rs.37,607

Audit had observed: “The scrutiny of record of formation revealed that over payment to the stated extent was made due to wrong drawal of selection grade and fixation of pay on different occasions. It resulted into loss to government of Rs.65,473.”

2-6-99: The Department explained that actual recovery was Rs.34,259 instead of Rs.37,607. The amount of Rs.34,259 had since been made good.

The PAC directed the Department to produce the relevant record showing reduction of amounts from Rs.37,607 to Rs.34,259 to Audit for verification and the para was kept pending.

14-9-99: The Department explained that balance amount of Rs.3,348 had also been recovered . The whole recovery had been got verified by Audit.

The PAC accepted the explanation and **settled the para.**

16. Para 6.9: Pages 68-69 – Irregular Payment of Salaries – Rs.234,649

Audit had observed: “The scrutiny of record revealed that un-trained Teachers were appointed in 1990. They had to qualify professional examination within stipulated period of three years as required vide Government of Punjab, Finance Department letter No.FD-PC-2-91, dated 19.11.1991. Their services would automatically stand terminated incase of not fulfilling the above

condition. As such payment after the expiry of fixed period, to the extent of Rs.234,649 was irregular & Un-justified.”

2-6-99: The Department explained that the teachers involved in this para had passed the PTC examination and they had produced the certificate to the Department. Accordingly they had been awarded the regular scale.

The PAC accepted the explanation and **settled the para.**

17. Para 6.10: Page 69 – Unauthorized Drawal of Pay and Allowances – Rs.116,131

Audit had observed: “A comparison of Master Pay Roll and sanctioned strength revealed that two posts of Assistants and four posts of Senior Clerks were drawn over and above the sanctioned strength from February 1994 to January 1996 un-authorizedly. It resulted loss to Public Exchequer to the stated extent.”

2-6-99: The Department explained that promotion cases of Senior clerks and Junior Clerks for the posts of Assistants and Senior Clerks respectively were considered and cleared by the Departmental Promotion Committee. Due to shortage of staff these officials were adjusted against the vacant posts of Stenographers. Equal number of posts of Assistants and Senior Clerks remained vacant. It was also worth mentioning that there was a joint seniority and sanctioned strength of the office of the Director Public Instructions (SE/EE). Therefore, no Over drawal beyond the sanctioned strength had occurred.

The PAC accepted the explanation and **settled the para.**

18. Para 6.11(1): Page 70 – Excess Drawal of Posts – Loss of Rs.50,886

Audit had observed: “An examination of record revealed that the amount to the stated extent was overdrawn by drawing excess posts. It resulted into loss of Rs.50,886 to Government.”

2-6-99: The Department explained that nine posts of AEO were sanctioned by the Government for the office of the DEO(W) Lahore and salary of Miss Rubina Mughal was drawn within the sanctioned strength of the office.

The PAC accepted the explanation and **settled the para.**

19. Para 6.11 (2): Page 70 – Excess Drawal of Posts – Loss of Rs.34,901

Audit had observed: “An examination of record revealed that the amount to the stated extent was overdrawn by drawing excess posts. It resulted into loss of Rs.34,901 to Government.”

2-6-99: The Department explained that two posts of PTC teachers and one post of class-IV was printed short due to typing mistake.

The PAC accepted the explanation and **settled the para.**

20. Para 6.12: Pages 70-71 Undue Retention of Government Money – Likely Misappropriation of Rs.159,741

Audit had observed: “The examination of record of formation revealed that stated amount was not utilized the Director of Technical Education drawn for the purpose, but misused by way of loan to Principal Government College Technology violating Rule 2.10 (b) (5) of PFR Vol I which tends to misappropriation of Government money.”

1-6-99: The Department explained that the amount in question had since been refunded.

Audit apprised the PAC that the amount in question was drawn and was refunded in 1994 and April 1997 after about two years from the date of Drawal.

The PAC directed the Department to conduct a fact finding inquiry to ascertain whether any misappropriation was committed or not. The para was kept pending

14-9-99: The Department explained that as per directive of PAC dated 1-6-99 an inquiry was conducted which revealed that total amount was Rs.159,741 was returned to the concerned institution. The Ex-Regional Director (Technical) concerned had expired and therefore no disciplinary action was possible.

The PAC directed that the expenditure for which the said amount was utilized may be got regularized by competent authority and the record may be got verified by Audit. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

21. Para 6.13: Page 71 – Misappropriation of Government Property – Rs.53,154

Audit had observed: “The scrutiny of records revealed that store articles were neither purchased nor brought into charge. This resulted into loss to Government of Rs.53,154 under the charge of Deputy DEO(M) Depalpur during 1994-95.”

14-9-99: The Department explained that complete record about the purchase of stationery had been traced out and was therefore available for verification.

The PAC kept the para pending for verification of record by Audit pertaining to purchase of stationery.

18-7-02: Reiterating the decision of the PAC dated 14 September 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take

further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

22. Para 6.14: Page 72 – Misappropriation of Rs.211,309

Audit had observed: “The stated amount was drawn on account of arrear of Pay and Allowances, by the Head Master, Government Middle School Kot Hira. Neither this amount was paid to the teachers nor their disbursement was produced. It resulted into Misappropriation of Rs.211,309.”

2-6-99: The Department explained that an inquiry had been conducted by the Competent Authority was not satisfied with inquiry proceedings/report. Therefore, the Department had ordered for another inquiry which had not yet finalized.

The PAC directed the Department to complete the inquiry within 120 days with a comprehensive report. The para was kept pending.

14-9-99: The Department explained that the total amount had been recovered. Disciplinary action against the defaulter had also been taken.

The PAC accepted the explanation and **the para was settled.**

23. Para 6.15: Pages 72-73 – Likely Misappropriation of Rs.93,500

Audit had observed: “The amount of Rs.93,500 was drawn on 26.9.89 and disbursement shown in the Cash Book on the same day but supporting vouchers, sanction of the competent authority, stock entries of the purchased material and the actual payee receipts were not in record. In the absence of these documents, the amount appeared to have been misappropriated.”

1-6-99: The Department explained that actual amount drawn was Rs.91,500 instead of Rs.93,500 as shown by Audit. The said amount was drawn for the payment of rent. Relevant record was available for verification.

The PAC settled the para subject to verification of relevant record by Audit.

14-9-99: The department explained that actual amount drawn was Rs.91,500 and not Rs.93,500 as recorded by Audit. The said amount of Rs.91, 500 was drawn and paid as rent of 3 buildings.

The PAC **settled the para subject to verification of relevant record** by Audit.

24. Para 6.16: Page 73 – Likely Embezzlement of Rs.116,930 Out of Medical Fund

Audit had observed: “On 20.11.1991 a sum of Rs.116,930 was transferred to the Bank of Punjab vide Cheque No.23594703. The scrutiny of the Cash Book/Pass Book of the Bank revealed that the deposit was not traceable. Neither the cancelled cheque (if not encashed) was available in the cheque book. The amount appeared to have been misappropriated.”

1-6-99: The Department explained that a cheque for Rs.116,930 was presented to the National

Bank of Pakistan Jhelum to transfer the Account to the Bank of Punjab as per directive of the Government. The said cheque was dishonored and the amount remained in the National Bank of Pakistan. The cancelled cheque had been shown to Audit.

The PAC accepted the explanation and **settled the para.**

25. Para 6.17(1): Pages 73-74 – Excess Drawal of Posts & Embezzlement of Rs.66,440

Audit had observed: “The scrutiny of record revealed that certain posts had been drawn in excess of sanctioned strength from 9/93 to 11/95 which resulted in a loss to Government amounting to Rs.149,024.”

2-6-99: The Department explained that according to the sanctioned strength two posts of EST teachers were on the strength of Government Girls Middle School Bakhtiari. But due to some clerical mistake one post had been shown by the DEO(W) Bahawalpur in her letter No.2488/A1 dated 2.3.1992. Therefore, neither any embezzlement had been committed nor any amount was overdrawn.

The PAC directed the Department that schedule of new Expenditure for 1994-95 may be shown to Audit so that Audit could verify the Sanctioned strength of the posts of the whole district concerned. All the relevant record pertaining to the post pointed out by Audit may be produced to Audit for verification. The para was kept pending.

14-9-99: The Department explained that a statement showing the strength of EST posts charged through SNE/Permanent basis in Distt: Bahawalpur had been obtained from the DEO(W) Bahawalpur wherein the salaries of 2 EST teachers in Government Girls Middle School, Bakhtiari have been drawn in accordance with the sanctioned strength. As such there was no embezzlement/excess Drawal involved.

The PAC **settled the para subject to verification of relevant record** by Audit as directed by the PAC previously.

26. Para 6.17(2): Pages 73-74 – Excess Drawal of Posts & Embezzlement of Rs.82,578

Audit had observed: “The scrutiny of record revealed that certain posts had been drawn in excess of sanctioned strength from 9/93 to 11/95 which resulted in a loss to Government amounting to Rs.149,024.”

2-6-99: The Department explained that all the defaulters had been proceeded against and punishment had been awarded to them. Mrs.Iqbal Bhatti Ex Dy DEO(W) had compulsorily been retired. Mrs. Farhat Masud Headmistress had been awarded the punishment of reduction of five steps lower in time scale. Recovery of Rs.22,000 had also been imposed upon her. Mr Mohammad Yasin Junior Clerk had been awarded the punishment of reduction of five steps lower in time scale. Mrs. Khalida Perveen AEO(W) was being proceeded against. Mrs Farhat Masud Headmistress had challenged the decision in the Services Tribunal. So far as excess Drawal of one post of class-IV was concerned the same had been drawn quite correctly. Earlier the said post was being charged under contingent and on upgradation of school the said post had been regularized.

The PAC directed that case in the Services Tribunal may be pursued vigorously. The para

was kept pending.

14-9-99: The Department explained that the case was still sub judice in the Punjab Service Tribunal.

The PAC kept the para pending and directed the Department to pursue the case vigorously in the Punjab Service Tribunal.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

27. Para 6.18: Page 74 – Likely Embezzlement of Rs.133,775

Audit had observed: “An amount of Rs.866,300 was drawn in June, 1995 out of which an amount of Rs.732,725 was stated to have been utilized and the whereabouts of balance amount of Rs.133,775 were not shown to Audit. The amount might have been embezzled.”

14-9-99: The Department explained that the purchases were made by the respective SMC (School Management Committee) of 348 schools scattered at different places in the Tehsil and stock registers were with them. As regards the opening of bank account without the permission of Finance Department the same was done under compulsion because a huge amount could not be kept in office without locker. The concerned office did not have nay locker to ensure the safe custody of the Government money and also there was not sufficient time to seek permission of the Finance Department. Therefore, for the safe custody of the Government money the bank account was opened. Entries of the payment had been made in the cash book.

The PAC kept the para pending and directed the Department to produce the relevant record to Audit for verification.

18-7-02: Reiterating the decision of the PAC dated 14 September 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

28. Para 6.19: Page 75 – Irregular Appointments on Leave Vacancy – Loss of Rs.40,129

Audit had observed: “The examination of record revealed that Government of the Punjab Services General Administration and Information Department imposed ban on the appointments against leave vacancies vide No.S.O.R.II.2.36/90, dated 5 March 1992. But contrary to these instruction the appointments were made which resulted a loss to Government amounting to Rs.40,129 under the charge of Dy DEO (M) Depalpur during 1993-94.”

14-9-99: The Department explained that an amount of Rs.10,000 had been recovered from the person concerned. The balance amount of Rs.30,000 would be recovered @ Rs.10,000 per month.

The PAC directed the Department to produce the relevant record to Audit for verification and **settled the para.**

29. Para 6.20: Pages 75-76 – Loss Amounting to Rs.30,261 Due to Fictitious Appointments

Audit had observed: “An Audit scrutiny of record showed that an appointment order bearing No.133/E.T dated 15 August 1993 for six persons was issued and another fictitious appointment orders of 7 persons bearing same number and date was issued by adding the name of Mr Niaz Ahmad S/o Ahmad Din of Basirpur. His pay and allowances were drawn for the period from 1 September 1993 to 31 January 1995. This resulted into loss to public exchequer amounting to Rs.30,261 under the charge of Deputy District Education Officer (M) Depalpur during 1994-95.”

14-9-99: The Department explained that a case against the defaulters had been got registered with the Anti Corruption Department and further progress was awaited.

The PAC directed the Department to produce the relevant record along with the inquiry report to Audit for scrutiny/verification. Case in the Anti Corruption Department may be pursued at personal level. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

30. Para 6.21: Pages 76-77 – Irregular Appointments During Ban – Loss of Rs.199,952

Audit had observed: “The Government of Punjab Services General Administration and Information Department imposed a ban on fresh recruitment against all vacancies vide letter No.S. O.R.III-2-56/93 dated 25 May 1993. The Scrutiny of record of the formation revealed that Government was put to a loss to the stated extent due to recruitment during ban.”

14-9-99: The Department explained that appointments were made on 8.6.1993 while the orders of imposing the ban were endorsed to the concerned officer on 9.6.1993. However, complete record of the appointees was available.

The PAC accepted the explanation and the **para was settled.**

31. Para 6.22: Page 77 – Irregular Expenditure on Purchase of Education Material/ Science Kits for English Teachers Worth Rs.382,000

Audit had observed: “According to S.No.I(v) (Education) and 3(a) of Delegation of Financial Powers

Rules 1990, the Deputy District Education Officer is empowered to make purchase of Teaching material up to Rs.2,000 and Rs.60,000 (if specifically shown in Budget Estimates in detail). It was observed that an expenditure of Rs.382,000 was made by Deputy DEO without obtaining sanction of competent authority. When pointed out by Audit in January, 1996 the observation was signed by Deputy DEO.”

14-9-99: The Department explained that an inquiry against the officer responsible for the irregular purchases had been started and further action would be taken in the light of the inquiry report.

The PAC directed that the inquiry may be completed at the earliest and action may be taken in the light of the findings of the inquiry. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

32. Para 6.23: Page 78 – Non-recovery of Long Term Advances to the Extent of Rs.2,834,384

Audit had observed: “A scrutiny of the record of formation revealed that long term advances i. e. House Building Advance/Motor Cycle Advances to the stated extent were paid but no recovery was effected rather certain officials have since been retired which resulted in a loss to Government amounting to Rs.2,834,384 under the charge of District Education Officer (M) Muzaffargarh during 1994-95.”

14-9-99: The Department explained that an amount of Rs.1,422,998 had been recovered and balance recovery was under process.

The PAC directed that recovered amount may be got verified by Audit and balance amount of Rs.1,411,386 may be made good at the earliest. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

33. Para 6.24: Pages 78-79 – Non-recovery of Long Term Advance Amounting to Rs.809,922

Audit had observed: “A scrutiny of the record of formation revealed that amount to the stated extent was paid to the officials/lady teachers on account of House Building Advance/House Purchase Advance. Recovery of the said advances was not effected from the concerned. It was also noticed that recovery was avoided by not showing the recoverable amount in the LPCs and not

furnishing the particulars of advances to the concerned Drawing and Disbursing Officers of lower formations. There is likelihood of misappropriation which resulted in a loss to Government amounting to Rs.809,922 under the charge of DEO (female) Muzaffargarh.”

14-9-99: The Department explained that a further amount of Rs.18,206 had been recovered and got verified by Audit. The balance amount of Rs.670,568 was being recovered through monthly installments.

The PAC directed that previous directive of the PAC may be complied with in letter and spirit and recover the balance amount at the earliest. The para was kept pending.

18-7-02: Reiterating the decision of the PAC dated 14 September 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC

34. Para 6.25(1): Pages 79-80 – Less Recovery of Benevolent Fund – Rs.21,280

Audit had observed: “A scrutiny of pay bills revealed that benevolent fund was less deducted than the prescribed rate. It resulted into loss of Rs.21,280.”

14-9-99: The Department explained that all the recoverable amount had since been made good and got verified by Audit.

The PAC accepted the explanation and **settled the para.**

35. Para 6.25(2): Page 79-80 – Less Recovery of Benevolent Fund – Rs.66,777

Audit had observed: “A scrutiny of pay bills revealed that benevolent fund was less deducted than the prescribed rate. It resulted into loss of Rs.66,777.”

14-9-99: The Department explained that the actual amount of recovery of Rs.66,141 had since been recovered and got verified by Audit.

The PAC accepted the explanation and **settled the para.**

36. Para 6.25(3): Pages 79-80 – Less Recovery of Benevolent Fund – Rs.72,010

Audit had observed: “A scrutiny of pay bills revealed that benevolent fund was less deducted than the prescribed rate. It resulted into loss of Rs.72,010.”

14-9-99: The Department explained that actual recoverable amount was Rs.71,082 which had since been recovered and deposited with the Government.

The PAC directed that all the relevant record may be produced to Audit for verification and the para was kept pending.

18-7-02: Reiterating the decision of the PAC dated 14 September 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

37. Para 6.26(1): Pages 80-81 – Irregular Payment of House Rent Allowance/ Conveyance Allowance – Rs.110,940 (This item Rs.29,044)

Audit had observed: “The examination of record of formations revealed that staff provided with Government residences was paid HRA and recovery of house rent @ 5% was also not made. The payment of conveyance allowance was made during summer vacation and the officials residing within the working premises. It resulted into irregular payments of Rs.110,940.”

1-6-99: The Department explained that total amount of Rs.29,044 had been recovered. The PAC settled the para subject to verification of record.

14-9-99: The Department explained that total amount of Rs.29,044 had been recovered from the official concerned.

The PAC **settled the item subject to verification of relevant record by Audit.**

38. Para 6.26(2): Pages 80-81 – Irregular Payment of House Rent Allowance/Conveyance Allowance – Rs.110,940 (This item Rs.16,772)

For Audit observation, *see* Sr.No. 37 above.

1-6-99: The Department explained that the matter was enquired into and it was concluded that no officer/official was occupying any Government accommodation. This fact had been certified by the Principal concerned. A lady officer occupied the Government accommodation for short period and a sum of Rs.842 had been recovered from her on this account.

The PAC accepted the explanation and **settled the item.**

39. Para 6.26(3): Pages 80-81 – Irregular Payment of House Rent Allowance/ Conveyance Allowance – Rs.110,940 (This item Rs.33,570)

For Audit observation, *see* Sr.No. 37 above.

1-6-99: The Department explained that total recoverable amount had been recovered and got verified by Audit.

The PAC accepted the explanation and **settled the item.**

40. Para 6.26(4): Pages 80-81 – Irregular Payment of House Rent Allowance/ Conveyance Allowance – Rs.110,940 (This item Rs.31,554)

For Audit observation, *see* Sr.No. 37 above.

14-9-99: The Department explained that a certificate from the Buildings Department regarding specification of residences had been obtained and produced to Audit as directed by Audit previously.

The PAC accepted the explanation and **settled the item with the observation** that this decision of PAC may not be quoted as precedent in future.

41. Para 6.27(1): Pages 81-82 – Appointments During Ban Period – Recovery of Rs.20,228

Audit had observed: “The scrutiny of record revealed that appointments were made during ban period which resulted in an-authorized payments to the stated extent. It resulted into loss to government amounting to Rs.68,605.”

14-9-99: The Department explained that the amount of this para was included in the para No.6.19 which had already been discussed by the PAC. Therefore, this para (6.27(1)) may be excluded from here.

The PAC accepted the explanation and **excluded this para from the report.**

42. Para 6.27(2): Page 81-82 – Appointments During Ban Period – Recovery of Rs.19,700

For Audit observation, *see* Sr.No. 41 above.

14-9-99: The new appointee was allowed to join duty on the ruling of Lahore High Court, Lahore.

The PAC accepted the explanation and **settled the para with the observation** that officer concerned who made the appointment during ban may be served with a warning.

43. Para 6.27(3): Pages 81-82 – Appointment During Ban Period – Recovery of Rs.28,667

For Audit observation, *see* Sr.No. 41 above.

14-9-99: The Department explained that all candidates including Mst Sajida Waryam were appointed on the decision of Lahore High Court Lahore with the condition that they would join duty after lifting of the ban. Accordingly they joined duty after the ban was lifted.

The PAC directed that all the relevant record may be produced to Audit for verification. The para was kept pending.

18-7-02: Reiterating the decision of the PAC dated 14 September 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

44. Para 6.28: Page 82 – Recovery of Less Deduction of Rent – Rs.146,531

Audit had observed: “The staff of the Institution had occupied residences of higher categories than their entitlement. They were required to pay rent @ 10% instead of 5% of maximum of pay scale as per Finance Department letter No.FD/SRI-3-4/85 dated 12.7.1989.”

1-6-99: The Department explained that a sum of Rs.46,700 had been recovered and balance of Rs.99,831 was being recovered on monthly basis. The rate of recovery had been increased to Rs.1000 P.M from 5/99 to finalize the recovery at the earliest.

The PAC kept the para pending for balance recovery and its verification by Audit.

14-9-99: The Department explained that recovery was being effected @ Rs.1,000 P.M and an amount of Rs.55,000 had since been recovered and verified by Audit. The balance recovery was in process.

The PAC kept the para pending for balance recovery under verification by Audit.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

45. Para 6.29: Page 83 – Recovery of Rs.48,483 – Irregular Promotion as Learning Coordinators

Audit had observed: “During the Audit scrutiny of record it was observed that PTC teachers having experience less than five years were promoted as learning Coordinator in contravention of instructions issued

by Education Department vide their letter No.SOR-III/1-13/85 dated 25.4.1990 which resulted into an irregular payment to the stated extend under the charge of Deputy DEO (Female) Mian Channu during the year 1992-95.”

14-9-99: The Department explained that actual recoverable amount was Rs.12172 which had since been recovered.

The PAC kept the para pending and directed the Department to produce all the relevant record to Audit for verification.

18-7-02: Reiterating the decision of the PAC dated 14 September 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

46. Para 6.30: Pages 83-84 – Non-return of Library Books Issued to College Teaching Staff – Rs.65,542

Audit had observed: “A large No. of books were issued to teaching staff but these were not returned. Normally the books can be retained for two weeks. It resulted into loss to Government to the stated extent.”

1-6-99: The Department explained that the library books valuing Rs.65,542 issued to the teaching staff had since been recovered and entered in the library register. Position had also been verified by Audit.

The PAC accepted the explanation and **settled the para.**

47. Para 6.31: Page 84 – Shortage of Store Articles Worth Rs.128,573

Audit had observed: “The Scrutiny of record of formation revealed that shortage of store articles were pointed out by the departmental authority at the time of physical verification but no recovery made so far which resulted into loss to the extent of Rs.128,573.”

1-6-99: The Department explained that the matter had been looked into and it had been found that mostly the store articles were transferred from defunct Government College of Technology Rawalpindi and prices of these items were not given in the list. These items were properly accounted for. However, a few items were found short which had been recovered either in the shape of kind or in the shape of cash. Defaulting officials had also been proceeded against under E&D Rules.

The PAC settled the para subject to the verification of record showing the stock entries and recovery made by Audit.

14-9-99: The Department explained that mostly the items of stores pointed out as short by

Audit were transferred from defunct Government College of Technology, Rawalpindi. Actual shortage had been worked out and only a few items were found short. The officials responsible for the shortage had been ordered to be proceeded against under E&D Rules. The shortage had since been recovered either in the shape of kind or cash.

Audit apprised the PAC that two enquiries had been conducted but both the inquiry reports were contradictory.

The PAC directed that Director Technical Education may enquire as to why the inquiry reports were contradictory and which one showed the factual position. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

48. Para 6.32(1): Pages 84-85 – Shortage of Stock Articles Worth Rs.54,349 (This item Rs.31,399)

Audit had observed: “A scrutiny of record of the formations showed the shortage of stock articles to the stated extent at the time of handing/taking over charge of store and physical verification. It resulted into loss to the extent of Rs.54,349 to public exchequer.”

2-6-99: The Department explained that matter had been enquired into and found that actual shortage amounted to Rs.3,469. The same had been recovered from Mrs. Asghari Khanum Ex-Headmistress of the school and got verified by Audit.

The PAC accepted the explanation and **settled the para.**

49. Para 6.32(2): Pages 84-85 – Shortage of Stock Articles Worth Rs.54,349 (This item Rs.22,950)

For Audit observation, *see* Sr.No. 48 above.

1-6-99: The Department explained that the case was reported to the Police but the Police could not trace the culprits. The matter was then enquired into departmentally with the conclusions that Mr Yar Muhammad Niazi, Lecturer in Biology was responsible for the loss of microscopes. He was proceeded against under E&D Rules.

The PAC directed that proceedings under E&D Rules may be finalized within two months positively under intimation to PAC. The para was kept pending.

14-9-99: The PAC revised its previous decision dated 1.6.1999 and directed that a case for the write off sanction of the loss may be referred to the Finance Department and the disciplinary action/

inquiry may be dropped. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

50. Para 7.2: Pages 87-88 – Blockade of Government Money on Account of Purchase of Printing Machine – Rs.4,89,000

Audit had observed: “The above stated amount was expended for purchase of Printing Machine in 1992. The machines were lying un-installed although the project period expired in 6/95. It resulted into blockade of Government money.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Commercial Audit

1. Para 84: Pages 59 – Working Results of Punjab Education Foundation, Lahore for the year 1990-96

25-7-02: The Committee **noted** the working results.

2. Para 85: Page 60 – Grants & Loans During the Year 1990-91 to 1995-96

Audit had observed: “The Foundation gave grants and loans during the years 1990-91 to 1995-96...A comparative study of the table is indicative of the fact that in most of the cases, the NGOS showed their interest only in availing grants and not in loans, although these were interest free loans as most of the cheques of loans were returned to the Foundation immediately after their sanctioning and delivery. Audit fears that NGOS who returned the cheques of loans without utilization were not actually in requirement of the assistance provided by the foundation and there is likelihood of misutilization of the grants made to them. An inquiry may be instituted in such cases and results thereof be intimated to Audit.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 86: Page 61 – Position of Recovery of Loans

Audit had observed: “Recovery position of loans was far from satisfactory as will be evident from the table...Strenuous efforts need be made to recover the outstanding loans to avoid their turning into bad debts.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para 87: Page 61 – Loss to Government – Rs.6.891 Million

Audit had observed: “The Foundation withdrew their balances of Rs.112.763 million maintained with Bank of Punjab, Lahore at the interest rate of 9.5% during the period from 1.9.1993 to 30.6.1995 in pursuance of directives of the Finance Department dated 15 August 1993 and kept them in Personal Ledger Account on the assurance that the Foundation would be compensated incomparable annuities through regular budgetary arrangements to avoid losses. The Foundation however withdrew their balances from Personal Ledger Account and invested in the bank at the same rate of interest in June 1995 and thus sustained a loss of interest of Rs.6.891 million approximately as the Finance Department has not compensated the Foundation so far. Efforts need to be made to settle the claim with Finance Department at the earliest to avoid recurrence of loss.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

5. Para 88: Page 61 – Development Charges – Rs.3.00 Million

Audit had observed: “The Foundation deposited Rs.3.00 million with Lahore Development Authority on 7.5.1995 as the cost of the plot for the construction of their own office building. In addition to above a sum of Rs.0.525 million was also deposited with LDA on 30.10.1995 as development charges including interest of Rs.0.220 million without cogent reasons which needs to be justified and amount recovered/adjusted at the earliest.”

25-7-02: The Committee **settled the para** with the direction that the Finance Department shall

resolve this issue at its own level.

6. Para 89: Page 61 – LDA has not Allotted Plots nor Returned the Amount – Rs.4.407 Million

Audit had observed: “Advances and prepayments of Rs.4.407 million stood as on 30 June 1996 included an amount of Rs.3.957 million deposited with LDA in 1994-95 for the allotment of Plots to the Foundation. LDA has neither allotted the plots to the Foundation nor has returned the amount to the Foundation including interest accrued thereon. Early settlement of the matter is stressed upon the management.”

25-7-02: The Committee **settled the para** with the direction that the Finance Department shall resolve this issue at its own level.

7. Para 90: Page 61 – Books of the Accounts have not been Maintained on Commercial Pattern

Audit had observed: “The books of the accounts have not been maintained on commercial pattern and the accounts have been prepared from various registers and statements therefore, the authenticity of the accounts is doubtful. Maintenance of accounts on commercial pattern is stressed upon the management.”

25-7-02: The Committee **noted the para** as it had already forwarded its recommendations to the Finance Department with reference to its Report for the year 1996-97.

Excise and Taxation Department

Overview

Total Paras	Commercial	Revenue Receipts
8	1	7

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 1	The para was noted as it contained statement of Accounts.	Commercial: 3(viii).	1
Paras Conditionally Settled 7	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months..	Revenue Receipts: 4.1(A)(a, b, c, d, e), 4.1(B), 4.2.	7

Discussed on 25 July 2002

Commercial Audit

1. Para 3(viii): Page 6 – Non-compilation of Accounts

Government Opium and Alkaloid Factory, Lahore.

1993-94
1994-95
1995-96

25-7-02: The PAC noted the contents of the audit para and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Department must ensure that accounts are compiled and submitted to Audit in time.

Revenue Receipts Audit

1. Para 4.1: Pages 11- 14 – Property Tax

A. Non-realization of Property Tax – Rs.16,432,054

(a) Due to Non-recovery of 15% Share of Provincial Government From Cantonment Boards – Rs.12,646,103

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

(b) Due to Non-recovery of Property Tax After Expiry of Tax Holiday – Rs.42,495

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

(c) Non-recovery of Property Tax Due to Non-assessment of Properties Falling Within Municipal Area – Rs.547,627

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

(d) Non-recovery of Arrears of Property Tax of Rs.3,078,379

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

(e) Non-recovery of Property Tax Due to Non-issuance of Demand Notice – Rs.117,450

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

B. Short Realization of Property Tax Due to Non-charging of 25% Additional Tax – Rs.252,362

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para 4.2: Pages 14-15 – Motor Vehicles Tax Non-recovery of Token Tax – Rs.278,660

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Finance Department

Overview

Total Paras	Civil
7	7

Abstract

Status	Decision	Para Nos.	Total
Paras Conditionally Settled 6	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 9.1, 9.2, 9.3, 9.5, 9.6, 9.7.	6
Paras Pended 1	The para was pended as the Committee decided to have working papers for consideration.	Civil: 9.4.	1

Discussed on 18 July 2002

Civil Audit

1. Para 9.1: Page 105 – Un-authorized Payment of Pay & Allowances Amounting to Rs.277,611

Audit had observed: “The scrutiny of record of the formation transpired that the amount to the extent was paid to Mr Munir Ahmad, Lecturer without getting the ad hoc period extended which resulted a loss to

Government amounting to Rs.277,611 7 March 1990 to May 1995.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department (Monitoring Wing) shall monitor the implementation of the directive of the PAC.

2. Para 9.2: Pages 105-106 – Irregular Payment of Rs.81,771

Audit had observed: “An examination of record revealed that advance increments were granted for the improvement of academic qualification which was quite irregular as they did not improve their qualification in their relevant field. It resulted into an irregular payment of Rs.81,771 by DAO Toba Tek Singh.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department (Monitoring Wing) shall monitor the implementation of the directive of the PAC.

3. Para 9.3: Page 106 – Bogus Payment Amounting to Rs.285,439

Audit had observed: “An examination of record showed that the excess payment was made to PTC teachers and lower staff by showing excess posts than the sanctioned strength by the Deputy DEO’s of Bahawalpur, Hasilpur and Yazman. Resultantly Government sustained a loss amounting to Rs.285,439.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department (Monitoring Wing) shall monitor the implementation of the directive of the PAC.

4. Para 9.4: Page 107 – Fraudulent Payment of Commutation of Pension at Various Branches of the National Banks Rawalpindi – Rs.2,057,593

Audit had observed: “During the scrutiny of detailed Audit of pension case it was noticed that 9 fake

pension cases on fictitious documentation were prepared and payment was made at various counters of National Bank of Pakistan to the stated extent.”

18-7-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

5. Para 9.5: Pages 107-108 – Excess Payment of Commutation of Pension –Recovery of Rs.156,681

Audit had observed: An examination of pension cases revealed that excess payment was made to pensioners due to wrong calculation, application of wrong gratuity formula, wrong calculation of age and service and commutation of pension of 60 years instead of 61 years to the stated extent by District Accounts Officer Gujrat.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department (Monitoring Wing) shall monitor the implementation of the directive of the PAC.

6. Para 9.6: Page 108 – Overpayment of Commutation of Pension – Rs.217,939

Audit had observed: “The scrutiny of certificate and report of pension cases revealed that over payment of Rs.217,939 had been made to the pensioners for applying the commutation rates of sixty years instead of 61 year. It resulted into over payment to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department (Monitoring Wing) shall monitor the implementation of the directive of the PAC.

7. Para 9.7: Page 109 – Non-recovery of Rs.63,921

Audit had observed: “During scrutiny of record of pension cases, it was noticed that recovery of over payment pointed out against each pensioner in the PPO’s register had not been made at the time of preparing commutation of pension papers as per payment register which resulted loss to the

stated extent to the public exchequer.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department (Monitoring Wing) shall monitor the implementation of the directive of the PAC.

Food Department

Overview

Total Paras	Civil	Revenue Receipt
14	13	1

Abstract

Status	Decision	Para Nos.	Total
Paras Conditionally Settled 6	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 8.4, 8.9, 8.10, 8.11, 8.12, 8.13.	6
Paras Pended 8	Paras were pended either because with the direction that the SDAC shall consider the matter and submit its report for consideration by the Committee or the Committee decided to have working paper for consideration.	Civil: 8.1, 8.2, 8.3, 8.5, 8.6, 8.7, 8.8, Revenue Receipt: 5(a)(b).	7 1

Discussed on 18 and 25 July 2002

Civil Audit

1. Para 8.1: Page 95 – Illegal Payment of Rent of Rs.16,784,954 for Private Godown in Sialkot/Narowal

Audit had observed: “An amount of Rs.16,784,954 was paid on account of rent of private godown. The departmental inquiry revealed that godown were taken over on political pressure and a bogus certificate by the Executive Engineer buildings for the suitability of building for Food Department was issued. In addition it was also held that those godowns were not needed at all. It resulted into loss to the stated extent to public exchequer.”

18-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

2. Para 8.2: Pages 95-96 – Receipt of 1833-139 M.Ton Imported Wheat Worth Rs.8,059,303 not Shown to Audit

Audit had observed: “The stock report of PR Centre Arianwala for 1992-93 showed that the imported wheat to the above extent was issued to the local Flour Mills but the sale proceeds to the stated extent duly verified by District Accounts Officer, Sargodha was not shown to Audit which might have been misappropriated. It caused a loss to public exchequer to the stated extent.”

18-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

3. Para 8.3: Pages 96-97 – Acknowledgements for 1184 Bales of Gunny Bags not Shown Recovery of Rs.9,679,200

Audit had observed: “An examination of record revealed that 1184 bales of gunny bags were despatched from Sargodha to Bahawalnagar district during the scheme 1993-94 but no acknowledgement of receiving center was produced to Audit. It is apprehended that those had been misappropriated. It resulted into loss to public exchequer to the extent of Rs.9,679,200 (1184 X Rs.8175).”

18-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

4. Para 8.4: Page 97 – Irregular Payment of Octroi Charges – Rs.85,781

Audit had observed: “An amount of Rs.85,781 was paid on account of Octroi charges which was quite irregular as Octroi charges are not leviable on the moveable Government property. It resulted into loss to public exchequer to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 8.5: Page 98 – Godown Shortage of 491.549 MT Wheat Amounting to Rs.2,216,470 Recovery Thereof

Audit had observed: “As per GP-50 stated shortage of wheat amounting to Rs.2,216,470 was found in various PR Centres under District Food Controller, Bahawalpur during scheme year 1993-94.”

18-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

6. Para 8.6: Page 98 – Enroute Shortage of 18.262 MT Wheat Costing – Rs.95,419

Audit had observed: “A quantity of wheat 24689.700 MT was despatched but received 24671.438 MT resulting Enroute shortage of 18.262 MT which cost, RS.95,419 @ Rs.5.225 per MT. It caused loss of Rs.95,419 to public exchequer.”

18-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

7. Para 8.7: Page 99 – Enroute Shortage of 18.427 M. Tons Wheat Valuing – Rs.80,618

Audit had observed: “Wheat despatched by PR Centre Chak No.170-9-L and Bini Shells Arifwala was less acknowledged by PR Centre Shekhupura and Islamabad-I respectively resulting Enroute shortage of 18.427 M.Tons amounting to Rs.80,618. It was neither recovered from the official concerned nor from contractor.”

18-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

8. Para 8.8: Pages 99-100 – Recovery of Rs.167,425 on Account of Enroute Shortage of 370 Bags Imported Wheat Scheme 1993-94

Audit had observed: “The above stated bags were received short while transporting imported wheat of scheme 1993-94 from Karachi to Sialkot GP.6 issued by the Port Qasim Karachi was not produced to Audit.”

18-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

9. Para 8.9: Page 100 – Misappropriation of Rs.344,927 Sale Proceeds of Wheat Scheme 1993-94 PR Centre Narowal

Audit had observed: “21093 filled bags of wheat sold to a flour mill @ Rs.355 and Rs.370 per bag (17750 X Rs.355, 3343 X Rs.370) for Rs.7,538,160 which was shown to have been deposited into Government treasury. The District Accounts Office, Narowal had verified deposit of Rs.7,193,233. As such balance amount of Rs.344,927 has not been deposited and stands embezzled.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para 8.10: Pages 100-101 – Likely Misappropriation of Sample Wheat Weighing 19,868 M Tons Valuing – Rs.86,923

Audit had observed: “Sample wheat of the stated value taken out from each lot of wheat purchased was not sent to regional Laboratory for analysis of the quality of wheat as no acknowledgments and analysis reports in support thereof could be shown to Audit. It was doubted that the same was misappropriated.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para 8.11: Pages 101-102 – Illegal Payment of Rs.238,072 on Account of Temporary Chowkidars During the Year 1993-94

Audit had observed: “The above stated amount had been paid to the temporary Chowkidars who were stated to be appointed after procurement season.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para 8.12: Page 102 – Irregular and Un-authorized De-classification of store Articles, Amounting to Rs.2,368,650

Audit had observed: “As per letter of Food Directorate dated 4.5.1985, the de-classification of store articles without proper sanction of the competent authority will be treated as misappropriation. It was observed that gunny bags to the stated value were declassified as D. Class’, by the centre incharges at their own will. It was misappropriation in terms of Foods Directorate instructions.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 8.13: Pages 102-103 – Loss Due to Excess Use/Misappropriation of AP Tablets Worth Rs.49,118

Audit had observed: “The AP tablets valuing Rs.26,546 were used in excess than the prescribed limit for fumigation and 11286 No. Costing Rs.22,572 were acknowledged but were neither accounted for in stock register nor used in fumigation as no fumigation certificate was recorded in GP-8.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Revenue Receipts Audit

1. Para 5: Pages 17-18 – Non-realization of Government Dues – Rs.108,013,175

(a) Non-realization of Sugarcane (Development) Cess on Additional Price – Rs.17,758,312

(b) Non-realization of Sugarcane (Development) Cess – Rs.90,254,863

25-7-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

Forestry, Wildlife, Fisheries, and Tourism Department

Overview

Total Paras	Civil	Commercial
16	13	3

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.	Commercial: 3(ix),	1
Paras Finally Settled 3	Paras finally settled as the requisite action had been taken.	Civil: 7.3, 7.6(1), 7.10.	3
Paras Conditionally Settled 12	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months..	Civil: 7.1, (7.2 transferred to Education Department) 7.4, 7.5, 7.6(2), 7.6(3), 7.6(4), 7.7, 7.8, 7.9, 7.11. Commercial: 91, 92.	10 2

Discussed on 13 September 1999, 18 and 25 July 2002

Civil Audit

- 1. Para 7.1: Page 87 – Timber/Stumps and Seed Worth Rs.811,937 not on site**

Audit had observed: “A scrutiny of Form-7 timber has revealed that material worth Rs.811,937 had been misappropriated as the same was not physically available at site. It was not handed over at the time of change of charge. It resulted into loss to the stated extent to the Government under the charge of DFO Gujrat during 1993-94.”

13-9-99: The Department explained that Audit had calculated the cost of wood at the compensation rate while the same should had been calculated at the average sale price. Therefore, the actual loss was much less than that shown by Audit. An inquiry had been conducted and Mr Muhammad Rafique Bhalli RFO and his staff had been held responsible for the shortage and loss. Recovery of loss had been imposed upon the said officer and officials and had been shown in Form 11. The recovery was being deducted from the pay of the defaulters.

The PAC did not feel satisfied with the explanation and referred the para to Sub-Committee No.4 to decide whether the compensation rate was applicable or average sale price was to be applied. The PAC also directed the Department to conduct inquiry by an honest officer for fixing responsibility for the misappropriation of timber. Recovery of loss sustained by the Government may be made after due process. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para 7.2: Pages 87-88 – Blockage of Government Money on Account of Purchase of Printing Machine – Rs.489,000

Audit had observed: “The above stated amount was expended for purchase of Printing Machine in 1992. The machines were lying un-installed although the project period expired in June 95. It resulted into blockage of Government Money.”

13-9-99: The Department apprised the PAC that this para related to Education Department and therefore, the same may be transferred to Education Department.

The PAC **transferred the para to Education Department** and directed that the Education Department may be informed of the decision.

3. Para 7.3: Page 88 – Outstanding Lease Money of Rs.83,000

Audit had observed: “A scrutiny of record of the formation revealed that fish point Chanab River was auctioned for Rs.303,000 but the amount to the stated extent was still recoverable from the contractor. The loss to Government was occurred under the charge of A d Fisheries, Multan during the year 1994-95.”

13-9-99: The Department explained that full amount of Rs.83,000 had since been recovered and got verified by Audit.

The PAC accepted the explanation and **settled the para.**

4. Para 7.4: Pages 88-89 – Non-recovery of Rs.177,000 as Balance Lease Money From Abdul Majid Contractor

Audit had observed: “Balance of lease money amounting to Rs.177,000 had not so far been recovered from Mr Abdul Majid Contractor even after lapse of many years due to the negligence of Forest authorities as the Revenue Officer was not pursued seriously for this purpose.”

13-9-99: The Department explained that a sum of Rs.41,200 had been recovered and an amount of Rs.37,000 had been waived off by the Government leaving a balance recovery of Rs.98,800. The Collector Lahore District had been requested to make good the balance recovery as arrears of land revenue.

The PAC directed the Department that balance recovery may be pursued vigorously for early finalization under verification by Audit. Waiving off of the amount of Rs.37,000 may be got verified by Audit. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 7.5: Page 89 – Non-recovery of Lease Money of River Sutlej – Rs.333,000

Audit had observed: “The scrutiny of record revealed that fishing rights of river Sutlej in Tehsil Depalpur were auctioned for Rs.680,000. Out of it Rs.347,000 had been recovered leaving a balance of Rs.333,000 which was still recoverable. It was outstanding due to negligence and carelessness of Department.”

13-9-99: The Department explained that an amount of Rs.417,000 including the security money of Rs.70,000 had been recovered from the contractor leaving the recoverable balance of Rs.263,000. The District Collector concerned had been requested to recover the balance amount as arrears of land revenue.

Audit apprised the PAC that Assistant Director Fisheries allowed the contractor to start fishing operation without receipt of Rs.227,000 as first instalment at the spot.

The PAC directed that balance recovery after adjusting the security money may be effected from the Assistant Director Fisheries who allowed the fishing rights to the contractor without receipt of Rs.227,000 as first instalment of the bid after observing the rules and procedure. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 September 1999 by

31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 7.6(1): Page 90 – Irregular Payment of House Rent Allowance/Conveyance Allowance Amounting to Rs.122,969 (This item Rs.36,784)

Audit had observed: “The officer and staff provided with Government accommodation did not pay rent @ Rs.5% of pay and those who were residing within the working premises were paid conveyance allowance. It resulted in irregular payments to the extent of Rs.36,784.”

13-9-99: The Department explained that this item did not relate to the Forestry, Wildlife, Fisheries and Tourism Department.

The PAC **allowed to exclude this para from the said Department.**

7. Para 7.6(2): Page 90 – Irregular Payment of House Rent Allowance/Conveyance Allowance Amounting to Rs.122,969 DD (Brood) Faisalabad (This item Rs.20,128)

Audit had observed: “The officer and staff provided with Government accommodation did not pay rent @ Rs.5% of pay and those who were residing within the working premises were paid conveyance allowance. It resulted in irregular payments to the extent of Rs.20,128.”

13-9-99: The Department explained that out of the amount of Rs.20,128 a sum of Rs.9,824 had been recovered and the balance amount of Rs.10,303 would be recovered in due course of time.

The PAC **settled the para subject to recovery of total amount and verification of the same** by Audit.

8. Para 7.6(3): Page 90 – Irregular Payment of House Rent Allowance/Conveyance Allowance Amounting to Rs.122,969 DDF (Brood) Faisalabad (This item Rs.35,822)

For Audit observation, *see* Sr.No.7 above.

13-9-99: The Department explained that house rent had been correctly paid as the colony was situated away from the premises of fish hatchery Faisalabad.

The PAC kept the para pending for physical verification by Audit of the fact whether the colony was located within the premises of fish hatchery or otherwise.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 7.6(4): Page 90 – Irregular Payment of House Rent Allowance/Conveyance Allowance Amounting to Rs.122,969 ADF (H) Faisalabad (This item Rs.30,235)

For Audit observation, *see* Sr.No.7 above.

13-9-99: The Department explained that house rent had been correctly paid as the colony was situated away from the premises of fish hatchery Faisalabad.

The PAC kept the para pending for physical verification by Audit of the fact whether the colony was located within the premises of fish hatchery or otherwise.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para 7.7: Pages 90-91 – Non-realization of Revenue Amounting to Rs.3,473,400 From Bela Land Afforestation

Audit had observed: “As evident from the records 827 acre of Bela land were afforested during 1985-86 to 1988-89, out of which 578900 cft fire wood worth Rs.3,473,400 was estimated to be obtained during 1994-95. It was observed that no firewood had been obtained against the above estimates.”

13-9-99: The Department explained that a technical inquiry had been conducted from which it had been concluded that afforestation made during 1988-89 had mostly failed due to climatic effects, fire and soil conditions. These factors of failure of the afforestation were beyond the control of the Department. Anyhow, responsibility for the failure had been fixed and recovery had been imposed. The officials involved filed a case in the Services Tribunal against the Department decision.

The PAC directed that record in support of the Departmental contention may be produced to Audit for verification and the para was kept pending.

18-7-02: Reiterating the decision of the PAC dated 13 September 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para 7.8: Page 91 – Non-recovery of Rs.343,966 From Contractors and Staff

Audit had observed: “A scrutiny of Farm-11 of Wazirabad and Gujranwala Forest Sub-division revealed that an amount of Rs.343,966 was outstanding against various contractors and staff of the Department since long on account of sale of timber.”

13-9-99: The Department explained that an amount of Rs.330,778 had been recovered leaving a balance of Rs.13,188. The balance amount would be recovered in due course of time.

The PAC directed that balance recovery may be made good at the earliest and the amount

so far recovered may be got verified by Audit. The para was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para 7.9: Page 92 – Recovery of Rs.353,323 on Account of Shortage of Angle Iron and Barbed Wire

Audit had observed: “A scrutiny of Farm-16 of Division and Rawalpindi Sub-division revealed that 11.723 Metric Tons of Angle Iron and 7.747 MT of Barbed Wire had been less taken in the Sub-division Rawalpindi which resulted into loss of Rs.353,323.”

13-9-99: The Department explained that fencing material shown transferred from DFO had properly been centered in Form-16 of Rawalpindi Sub Division, Gujar Khan Range and Taxila. Thus there was no shortage.

The PAC directed that relevant record may be got verified by Audit and the para was kept pending.

18-7-02: Reiterating the decision of the PAC dated 13 September 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 7.10: Pages 92-93 – Recovery of Rs.141,400 on Account of Sale Proceed of Fish Seed

Audit had observed: “112,000 No. fish seed valuing Rs.141,400 was sold to WAPDA. But the sale proceed was not realized from that organization even after lapse of 1-1/2 years. Moreover, credit sale was not permitted by the Government.”

13-9-99: The Department explained that actual recoverable amount was Rs.128,300 and not Rs.141,400 as worked out by Audit. The whole amount of Rs.128,300 had been recovered and deposited into treasury. This fact had also been verified by Audit.

The PAC accepted the explanation and **settled the para.**

14. Para 7.11: Page 93 – Misappropriation of Store Worth Rs.183,463

Audit had observed: “A scrutiny of Timber Farm-7 of Rawalpindi forest Sub-division revealed that material worth Rs.183,463 under the charge of DFO (South) Rawalpindi was not carried

forward from 10/94 onward. It resulted into loss to the stated extent to Public Exchequer.”

This para consists of item No.1 to 21. The item wise position was as under:-

(i) Items No.1 to 6 and 8 to 21 Valuing Rs.125,582

13-9-99: The Department explained that material had been handed over to SDFO Rawalpindi and the same was brought forward in Timber Form-7 during April, 1997. Audit apprised the Committee that the firewood plants were handed over after the lapse of three years which seemed doubtful.

The PAC was not satisfied with the explanation of the Department and directed that recovery of material may be effected from the defaulter after observing all the formalities under the rules. The items were kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

(ii) Item No.7 Firewood 1284 Mds Valuing Rs.57,780

13-9-99: The Department explained that recovery of 1284 Mds firewood had been imposed on Mr Muhammad Razzaq Forester who had been retired from service. The said recovery would be effected from the pension of the official.

The PAC directed that record relating to deduction of Rs.57,780 from the pension of the official may be got verified by Audit. The item was kept pending.

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 September 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

Commercial Audit

1. Para 3(ix): Page 6 –Non-compilation of Accounts

Tourism Development Corporation of Punjab Lahore

1995-96

The PAC noted the contents of the audit para and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Department must ensure that accounts are compiled and submitted to Audit in time.

Government Jallo Rosin and Turpentine Factory, Lahore

1. Para 91: Page 62 – Loss Due to Idle Staff

Audit had observed: “The factory which was closed in 1988-89, sustained losses of Rs.513,013 in 1993-94 Rs.539,591 in 1994-95 and Rs.498,130 in 1995-96. These losses consist of wages of the idle staff, depreciation of fixed assets and interest on Government capital. The workers of the factory have obtained stay orders from the court for its closure. Although a period of more than 7 years has elapsed yet the case is still undecided. Resultantly the factory is sustaining losses due to payment of salaries to the idle staff. The machinery is also deteriorating due to rust and vagaries of weather. Steps need be taken to get the case decided expeditiously so that the payment of salaries to the idle staff could be avoided.”

25-7-02: Since the Factory had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para 92: Page 62 – Depreciation Charged on Plant and Machinery etc.

Audit had observed: “Depreciation is being charged on plant and machinery etc. although these assets are not being used. In other Corporation like Punjab Dairy Corporation their management has stopped the charging of depreciation on the assets as the Dairy Corporation has stopped its activities. Necessity of non-charging of depreciation may be considered and reduction of cost of assets through depreciation may be avoided.”

25-7-02: Since the Factory had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Health Department

Overview

Total Paras	Civil	Commercial
126	122	4

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.	Commercial: 3(x)(xi), 94.	3
Paras Conditionally Settled 112	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months..	Civil: 10.1, 10.2(1&2), 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9(1&2), 10.10, 10.12, 10.13, 10.14, 10.15, 10.16, 10.17, 10.18, 10.19, 10.20, 10.21(1-10), 10.22(1-6), 10.24, 10.25, 10.26, 10.27, 10.28, 10.29, 10.30, 10.31, 10.32, 10.33, 10.34, 10.35, 10.36 (1-3), 10.37, 10.38, 10.39, 10.40, 10.41, 10.42, 10.43, 10.44, 10.45, 10.46, 10.47, 10.48, 10.49, 10.50, 10.51, 10.52, 10.53, 10.54, 10.55, 10.56, 10.57, 10.58, 10.59, 10.60, 10.61, 10.62, 10.64, 10.65, 10.67, 10.68, 10.69, 10.70, 10.71, 10.73, 10.74, 10.75, 10.77, 10.78, 10.79, 10.80, 10.81, 10.82, 10.83, 10.84, 10.85, 10.86, 10.87, 10.89, 10.90, 10.91, 10.93, 10.94, 10.95, 10.97, 10.98, 10.99, 10.100, 10.101, 10.102, Commercial: 93.	111 1
Paras Pended 11	Paras were pended either because the Committee decided to have working papers for consideration or the matter was referred to SDAC for consideration and report to the PAC.	Civil: 10.11, 10.23, 10.63, 10.66, 10.72, 10.76, 10.88, 10.92, 10.96, 10.103, 10.104.	11

Discussed on 18 and 25 July 2002.
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Civil Audit

1. Para 10.1: Page 111 – Government Receipt not Deposited Amounting to Rs.143,359

Audit had observed: “Audit scrutiny of accounts of the formation revealed that Government receipts like Purchee Fee, Ambulance Charges etc. realized from patients were not deposited into Government Treasury in contravention of Rule-7(1) of STR-I.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

2. Paras 10.2 (1 & 2): Pages 111-112 – Non-deposit of Ambulance Charges – Rs.181,286

Audit had observed: “An examination of Log Books of Ambulance No.LHV-1158 and MHA-8451 revealed that Ambulance Charges recovered from the patients to the extent of Rs.153,831 + Rs.27,455 respectively were not deposited into Government Treasury in contravention of Rule-7(1) of STR. It resulted into loss of Rs.181,286 to Government.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 10.3: Pages 112-113 – Non-deposit of Ambulance Charges – Rs.67,174

Audit had observed: “An examination of record of the formation revealed that the amount to the stated extent was realized from the patients on account of Ambulance charges but was not deposited into Government Treasury in contravention of rules 7(1) of STR which resulted into loss to Government amounting to Rs.132,244 under the charge of DHO Okara during the financial year 1994-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para 10.4: Page 113 – Non-deposit of Purchee Fee – Rs.168,697

Audit had observed: “The scrutiny of record of the formation revealed that amount to the stated extent was realized from the patients on account of purchee fee but not deposited into Government Treasury in contravention of rule 7(i) of STR which resulted into loss to Government amounting to Rs.168,697.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 10.5: Page 114 – Non-deposit of Rs.48,654

Audit had observed: “The purchee fee had not been deposited into the Government Treasury in violation of Rule 7(i) of STR which might have been misappropriated.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 10.6: Pages 114-115 – Non-deposit of Government Receipt Amounting to Rs.142,464

Audit had observed: “The scrutiny of the record revealed that the amount to the stated extent was collected from patients on account of Ambulance Charges & X-Ray charges. But the same was not deposited into Government Treasury in contravention of Rule 7(1) of STR.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall

be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para 10.7: Page 115 – Non-deposit of Government Receipt Amounting to Rs.57,675

Audit had observed: “The scrutiny of record of the formation revealed that the amount to the extent of Rs.57,675 collected from patients on account of purchase Fee and Ambulance Charges were not deposited into the Government Treasury in contravention of Rule 7(I) of STR.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para 10.8: Pages 115-116 – Less Deposit of Tuition Fee/Admission Fee – Rs.395,743

Audit had observed: “A scrutiny of record showed that an amount of Rs.3,301,073 was due to be recovered from the students on account of Tuition fee/Admission fee but out of this amount only Rs.2,905,330 was found deposited into Government Treasury which resulted into loss to Government amounting to Rs.395,743 under the charge of Principal Nishtar Medical College Multan during 1994-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

9. Paras 10.9 (1 & 2): Page 116 – Non-deposit of Rs.348,783

Audit had observed: “A scrutiny of record revealed that the Purchase Fee, X-Ray charges, dental charges and ambulance charges realized from the patients were not deposited into Government Treasury in contravention of provision to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation

of the directive of the PAC.

10. Para 10.10: Page 117 – Likely Misappropriation for Government Receipt – Rs.16,255

Audit had observed: “The scrutiny of record revealed that the Government receipt like purchase fee, Laboratory charges and Ambulance charges realized from the patients was not deposited into Government Treasury in contravention of rule 7(1) of STR which resulted a loss to Government for Rs.16,255 under the charge of DHQ Lodhran.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para 10.11: Page 118 – Likely Misappropriation of Rs.4,200,772

Audit had observed: “The amounts were drawn from the Treasury and shown as paid in the cash book but the relevant record viz vouchers actual payee’s receipts tender/quotations comparative statements sanctions and stock entries were neither available nor produced to Audit. In the absence of these documents etc the amounts appeared to have been misappropriated.”

18-7-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

12. Para 10.12: Page 119 – Likely Misappropriation of Hospital Receipt – (Rs.319,711 + 22,993) Rs.342,704

Audit had observed: “A scrutiny of record showed that the Hospital receipt like ambulance charges and purchase fee realized from the patients was not deposited into Government Treasury in contravention of rule 7 (i) of STR which resulted into loss to Government amounting to Rs.342,704 under the charge of DHQ Muzaffargarh.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 10.13: Pages 119-120 – Likely Misappropriation/Embezzlement of Rs.659,025

Audit had observed: “The scrutiny of record revealed that stated amount was drawn for payment to WAPDA on account of “Demand Notices”. But Bank receipts were not available along with copies of

demand notices. It is apprehended that amounts drawn stood embezzled during the year 1994-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

14. Para 10.14: Pages 120-121 – Likely Misappropriation of Government Receipt Amounting to Rs.24,943

Audit had observed: “The scrutiny of record of the formation revealed that the amount to the stated extent was realized from the patients on account of Ambulance charges but was not deposited into Government Treasury in contravention of Rule 7(1) STR which resulted a loss to Government amounting to Rs.24,943 under the charge of MS DHQ Kasur during 1994-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

15. Para 10.15: Page 121 – Misappropriation of Government Receipt – Rs.108,635

Audit had observed: “The scrutiny of record revealed that hospital receipts like purchase fee, Ambulance charges X-Ray & Laboratory Charges realized from the patients were not deposited into Government Treasury in contravention of provision of Rule 7(1) of STR Punjab.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

16. Para 10.16: Pages 121-122 – Likely Misappropriation of Rs.120,377

Audit had observed: “A scrutiny of record revealed that amount to the stated extent was shown paid but the actual payees receipts as required vide Rule 7.12 and 8.5 of PPR Vol-I were not produced. There is an apprehension of misappropriation of Rs.120,377.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

17. Para 10.17: Page 122 – Purchase Without Requirement and Misappropriation of Rs.492,995

Audit had observed: “The record of the formation revealed that the equipment and instruments were purchased which were not required for normal working of office and were shown transferred to the wards of the B.V. Hospital but neither further stock entries nor the material shown physically to Audit.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

18. Para 10.18: Page 123 – Misappropriation of Government Money – Rs.294,034

Audit had observed: “A sum of Rs.174,534 was drawn from Government Treasury and Rs.119,500 was recovered from the occupants of Government residences in Hospital Colony on account of electricity charges. The recovered amount was not deposited into Government Treasury. Paid vouchers of Rs.174,534 were not produced to Audit. It resulted into loss to Government to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

19. Para 10.19: Pages 123-124 – Misappropriation of 43 Laboratory Kits Worth Rs.53,200

Audit had observed: “An examination of record revealed that 43 kits were purchased valuing to the stated

extent. Neither their proper consumption nor existence thereof was shown to Audit. It is apprehended that entire quantity stands misappropriated which resulted into loss to Government amounting to Rs.53,200 under the charge of DHQ Khanewal during the year 1993-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

20. Para 10.20: Pages 124-125 – Misappropriation of Store Articles Worth Rs.61,515

Audit had observed: “The scrutiny of the record of formation revealed that store articles had been misappropriated as the same was neither taken into stock nor consumption/ issuance was shown to Audit which resulted in a loss to Government to the extent of Rs.61,515 under the charge of Principal, Nursing School Bahawalpur during 1991-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

21. Paras 10.21(1 to 10): Pages 125-126 – Misappropriation of Rs.285,204 Purchee Fee, Admission Fee, Ambulance Charges, X-Ray and Laboratory Charges (1) DHQ Hospital, Lodhran (Rs.29,792) – (2) DHQ Hospital, Faisalabad (Rs.27,484) – (3) DHO, Leiah (Rs.38,734) – (4) THQ Hospital, Jampur (Rs.32,288) – (5) DHO, Multan (Rs.13,747) – (6) THQ Hospital, Gujra Khan (Rs.18,037) – (7) DHQ Vehari (Rs.12,669) – (8) THQ Hospital, Burewala (Rs.43,778) – (9) THQ Hospital, Kot Adu (Rs.39,485) – (10) DHO Khanewal (Rs.29,190)

Audit had observed: “The record of the given formations revealed that Purchee Fee/Admission Fee, Ambulance Charges, X-Ray and Laboratory Charges etc collected from patients to the stated extent had not been deposited into Government Treasury in contravention of Provisions of Rule 7.1 of STR.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

22. Paras 10.22(1 to 6): Pages 126-127 – Misappropriation/Shortage of Stock Articles Worth Rs.226,440 – (1) DHO, Khanewal (Rs.34,921) – (2) DHO, Bhakkar (Rs.47,078) – (3) Para Medical School, Bahawalpur (Rs.16,909) – (4) THQ Hospital, Tala Gang (Rs.40,886) – (5) DHO, Okara (Rs.37,000) – (6) DHO, Kasur (Rs.49,646)

Audit had observed: “The misappropriation/shortage of stock articles to the stated extent was found on account of non-accountal, less handing over & taking over, issued to staff but not returned at the time of transfer and working out wrong balances in the given formations. It resulted into loss to the extent of Rs.226,440 to public ex-chequer....The matter also reported as PDP to Administrative Secretary but no reply was received. The recovery is stressed upon besides disciplinary action against responsible under intimation to Audit.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

23. Para 10.23: Pages 127-128 – Excess Payment of Rs.2,171,454 on Local Purchase of Medicines Worth Rs.5,457,330

Audit had observed: “During the course of Audit it was noticed that the Local purchase of medicines worth Rs.5,457,330 was made but excess payment to the stated extent was made due to charging excess rate than the rate contract and paid by DHQ Hospital Faisalabad. This resulted in a loss to Government to the stated extent.”

18-7-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

24. Para 10.24: Page 128 – Excess Payment of Rs.45,701 – Residential Telephone No.30503

Audit had observed: “A scrutiny of record of the formation showed that in contravention of Government instructions contained in FD letter No.(PW-II)2-1/Tele/82, dated 7.10.1988 an amount to the stated extent was paid in excess of the prescribed limit. It resulted into loss to Government of Rs.45,701 under the charge of DHO Multan during the year 1993-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

25. Para 10.25: Page 129 – Non-deduction of Income Tax – Rs.53,841

Audit had observed: “In accordance with Section 50(4) of Income Tax Ordinance 1979 the stated amount of Income Tax was not deducted at source from the contractors/suppliers. It resulted into loss to Government to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

26. Para 10.26: Pages 129-130 – Overpayment Due to Non-deduction of 5% House Rent – Rs.54,460

Audit had observed: “The scrutiny of record of the formation revealed that rent free accommodations were not allowed to staff but they were not paying 5% house rent which resulted a loss to Government amounting to Rs.54,460 under the charge of Principal Government Paramedical School Bahawalpur during 1991-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

27. Para 10.27: Page 130 – Excess Payment of Rs.99853

Audit had observed: “A scrutiny of the record revealed that excess payment on account of Pay and Allowances was made. In addition officials who were provided Government accommodation, within Hospital premises were paid House Rent Allowance and conveyance Allowance, beside non-deduction of rent @ 5%. It resulted into excess payment of Rs.99,853.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

28. Para 10.28: Pages 130-131 – Non-deduction of Electricity and House Rent Charges Recovery of Rs.48,371

Audit had observed: “A scrutiny of record revealed that officials occupying Government accommodation neither paid electricity charges nor house rent @ 5% was deducted which resulted into loss to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

29. Para 10.29: Page 131 – Overpayment of House Rent Allowance – Rs.395,841

Audit had observed: “The staff provided with the facility of Government accommodation were not entitled to draw House rent allowance. The scrutiny of record showed that the amount to the stated extent was drawn on account of House rent allowance inspite of the fact that the Government accommodations were available at their place of posting which resulted into loss of Rs.395,841 under the charge of DHO Vehari during 1993-94.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

30. Para 10.30: Page 132 – Irregular Payment of House Rent Allowance – Recovery of Rs.571,415

Audit had observed: “The examination of record showed that huge payments on account of house rent allowance had been made to Government servants residing in Government residences in contravention of Government orders. It resulted into loss of Rs.571,415 under the charge of DHO Faisalabad during 1993-94.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

31. Para 10.31: Page 132 – Un-authorized Payment of House Rent Allowance – Rs.149,646

Audit had observed: “Residential accommodation had been constructed by Government for the officers

and staff at their place of posting but they had drawn House Rent Allowances/Conveyance Allowance amounting to Rs.149,646...The matter was reported to the Government in August, 1996 as AP and PDP in October, 1996 but no reply was received.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

32. Para 10.32: Page 133 – Non-recovery of House Rent – Rs.148,109

Audit had observed: “On scrutiny of pay bills of non-gazetted staff it was observed that officials allotted Government accommodation were not paying 5% of pay as rent which resulted a loss of Rs.148,109 to Government under the charge of DHO, Khanewal during 1993-94.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

33. Para 10.33: Page 133 – Irregular Drawal of House Rent and Conveyance Allowance Amounting to Rs.53,878

Audit had observed: “During Audit it was observed that officers and staff residing in Government accommodation within the boundary wall of Hospital were paid house rent and conveyance allowance. Resulting irregular payment of Rs.53,878 to them under the charge of MS DHQ Hospital Rawalpindi during 1994-95....The matter was reported to the administrative Department in July 1996 as AP and as PDP in October, 1996 but no reply was received.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

34. Para 10.34: Page 134 – Recovery of Rs.112,128 on Account of Less Deduction of House Rent

Audit had observed: “During Audit scrutiny of account record it was noticed that thirteen

officers were residing in the houses above their entitlement but the deductions of house rent had not been made in accordance with the instructions contained in the Government of the Punjab FD letter No.FD/SR/1-3-4/85 dated 12.7.1989 further circulated vide even No. dated 15.3.1993. This resulted into loss to Government to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

35. Para 10.35: Page 135 – Irregular Payment of House Rent Allowance – Rs.170,841 – Recovery Thereof

Audit had observed: “A scrutiny of pay bills revealed that stated amount was drawn on account of House Rent allowance by the officials occupying Government residences constructed for them in RHCs/BHUs according to their status. It resulted into irregular payments to the stated extent under the charge of DHO Sargodha during 1994-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

36. Paras 10.36 (1 to 3): Pages 135-136 – Irregular Payment of House Rent Allowance/Non-recovery of House Rent – Rs.139,241- (1) Nursing School Allied Hospital, Faisalabad (Rs.40,136) – (2) Nursing School Allied Hospital, Faisalabad (Rs.22,025) – (3) DHO, Pakpattan (Rs.77,080)

Audit had observed: “A scrutiny of record of following formations revealed that officials who were provided Government Accommodation and residing within working premises were paid house rent allowance/conveyance allowance. In addition house rent @ 5% was also not deducted. It resulted into loss to the stated extent to Public exchequer.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

37. Para 10.37: Pages 136-137 – Doubtful Repair of Lab System Worth Rs.70,000

Audit had observed: “An examination of record showed that an amount to the stated extent was drawn for the repair of computer. Only three parts were shown replaced valuing Rs.70,000. The repair rates were on higher side and replaced parts were not available in dead stock register. It was apprehended that no repair was carried out. The Departmental Workshop was also not approached for repair. It was likely embezzlement of Rs.70,000 under the charge of DHO Khanewal during the year 1993-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

38. Para 10.38: Pages 137-138 – Irregular Expenditure on the Repair of Vehicle and Cost of Charcoal – Rs.172,743

Audit had observed: “Expenditure amounting to Rs.149,043 was incurred on the repair of vehicle No.STB-5270 including installation of AC worth Rs. 30,500 in it and charged to 599-other (when the same was to be covered under 410-Transport). The expenditure had been incurred in the absence of the provision of funds. DHO is also not entitled for AC vehicle. It was also noticed that a sum of Rs.23,700 had been spent for the purchase of charcoal which was consumed during 1.12.94 to 15.12.94 when the winter season for this purpose commenced from 16.12.94.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

39. Para 10.39: Page 138 – Irregular Drawal of Leave Salary and House Rent –Recovery of Rs.58,760

Audit had observed: “Mr Jameel Ahmed, Stenographer was on Ex-Pakistan Leave on half pay for one year w.e.f 1.10.1994 to 30.9.1995. The leave was extended for further one year w.e.f 1.10.95 to 30.9.1995 but full pay was drawn during the said period instead of half pay. Moreover, quarter No.I/79 was allotted to him in Wahdat Colony and house rent was also being drawn by him. Besides this 5% house deductions were also not made.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

40. Para 10.40: Page 139 – Non-recovery of Electricity Charges for Rs.323,200

Audit had observed: “The scrutiny of record revealed that all occupants of Government residences consuming electricity from the main supply of the institution were required to pay the utility charges according to their category at the prescribed rates mentioned in Government of Punjab Health Department notification No.SO(BA)I-I/91-92 dated 12 May 1992. The Government was put to a financial loss to the stated extent due to non recovery of the electricity charges under the charge of DHO Kasur during 1993-94.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

41. Para 10.41: Pages 139-140 – Misuse of Electricity, Sui Gas, Water – Rs.152,000

Audit had observed: “Electricity, Sui Gas and Water Supply charges were not recovered from the residents of Hospital Colony, who availed these facilities from main supply. It resulted into loss to Government to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

42. Para 10.42: Page 140 – Non-recovery of Electricity Charges Amounting to Rs.81,600

Audit had observed: “The scrutiny of record revealed that officers/officials residing in the

premises of Rural Health Centre and Basic Health Units were getting Electricity from main supply of the institute but were not paying Electricity charges in contravention of instructions issued by Health Department vide letter No.SO(B&A)1-1/91-92, dated 12 May 1992. This resulted into loss to Government amounting to Rs.81,600 under the charge of DHO Kasur during 1994-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

43. Para 10.43: Page 141 – Non-recovery of Electricity Charges – Rs.116,000

Audit had observed: “A scrutiny of record showed that the principal Nishter Medical College did not realize the Electricity charges from the officers/officials who were provided Government residences within the premises of the college and getting the electricity from the main supply. This resulted into a loss to Government amounting to Rs.116,000.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

44. Para 10.44: Pages 141-142 – Recovery of Rent and Electricity Charges – Rs.97,180

Audit had observed: “Charges on account of rent i.e. 5% of pay of Government servants occupying the Government residences and charges of electricity consumed from main supply were not recovered from the occupants. When it was pointed out the observation was noted for investigation and compliance.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

45. Para 10.45: Pages 142-143 – Loss of Rs.145,613 on Account of Non-recovery of Electricity Charges

Audit had observed: “A scrutiny of record of the formation revealed that amount to the stated extent was recoverable on account of electricity charges from the officers/officials. It resulted into

loss to the Government amounting to Rs.145,613 under the charge of MS Nishter Hospital Multan during the year 1994-95....The matter was reported to Administrative Secretary in March, 1996 as AP. The Department submitted annotated reply stating that a sum of Rs.41,200 has been recovered and efforts are being made to recover the balance amount.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

46. Para 10.46: Page 143 – Non-recovery of Electricity Charges – Rs.57,951

Audit had observed: “The scrutiny of record revealed that all the occupants of Government residences were consuming electricity from the main supply of the institution and were required to pay the utility charges according to their category at the prescribed rates mentioned in Government of Punjab, Health Department letter No.SO(BA)1-1/91-92 dated 12 May 1992.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

47. Para 10.47: Page 144 – Recovery of Rs.67,795 (Rs.41,119 +Rs.26,676) Due to Shortage of Medicines

Audit had observed: “It was observed during Audit that medicines were purchased from MSD and local market, were shown and issued to main store for consumption. But scrutiny of record revealed that medicine to the stated extent neither indented for nor received by store keeper which resulted into loss of Rs.67,795 under the charge of MS THQ Hospital Kabirwala during the period 1992-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

48. Para 10.48: Pages 144-145 – Recovery of Rs.502,518 on account of Cycle Stand

Audit had observed: “An examination of record revealed that cycle stand was auctioned for Rs.525,068 for the period 1993-94 and 1994-95. Out of which amount of Rs.37,550 was recovered leaving a balance of Rs.487,518. In addition, the electricity charges up to 12/94 amounting to Rs.15000 were also recoverable. It resulted loss to the public exchequer to the extent of Rs.502,518.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

49. Para 10.49: Pages 145-146 – Recovery of Rs.161,605 on Account of Penal Rent

Audit had observed: “The examination of accounts record showed that Dr. Izhar Hussain Abidi had been residing unauthorizedly in residence No.19-B at Punjab Medical College, Faisalabad w.e.f. 1.7.91 to 15.11.94 for which no house rent deductions had been made. On being Noticed by the Government it was decided to charge him with penal rent for the entire unauthorized period. This resulted into recovery to be made of Rs.161,605 from the concerned officer.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

50. Para 10.50: Page 146 – Recovery of Rs.134,458 on Account of Non-deduction of 5% House Rent

Audit had observed: “During scrutiny of Pay Rolls of the staff it was noticed that they were residing in Government Accommodation but house rent @ 5% of the basic pay was not deducted from their pay which resulted in a loss of Rs.134,458 to Government The matter was reported to Administrative Department in April, 1996 as AP and PDP in October, 1996 but no reply was received.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

51. Para 10.51: Page 147 – Recovery of Rs.825,805 – Unauthorized Grant of Advance Increments

Audit had observed: “A scrutiny of record revealed that advance increments were granted to the employees of Health Department in contravention of FD’s instructions issued vide their letter No.PR-12-3/91 (Pt-I) dated 21.6.1992. The advance increments can be granted if the claimants improve qualification in their relevant field of duty. It resulted into unauthorized payment to the stated extent under the charge of DHO Mianwali and Sargodha during 1994-95....The matter was then reported to Administrative Secretary as AP in August, 1996 and as PDP in October, 1996 but no reply was received.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

52. Para 10.52: Pages 147-148 – Recovery of Rs.69,548 from Nurse Students

Audit had observed: “Seven nurse students took admission. They had to complete three years training with stipend. Otherwise the amount of stipend received was to be refunded to Government. It was observed that they absconded during training and amount received to the stated extent was not refunded by them. It resulted into loss of Rs.69,548 to the public exchequer.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

53. Para 10.53: Pages 148-149 – Recovery of Rs.122,934

Audit had observed: “Government owned Suzuki Jeep Model 1986 Engine No.SI-40-188890 and chassis No.P-10-A-793475 was stolen from the residence of a Medical Officer named Dr. Abdul Rehman. The Medical Officer was held responsible by the Administrative Department for the theft of Suzuki Jeep in 6/95. He was directed to deposit the loss as agreed by him (vide letter No.SC(C-III)A-512/93 dated 27.6.1995) before proceeding for further inquiry. Recovery has not so far been effected neither further inquiry conducted.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

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 December

2002. Finance Department shall monitor the implementation of the directive of the PAC.

54. Para 10.54: Page 149 – Recovery of Rs.43,047 – Cycle Stand/Canteen and Purchee Fee etc.

Audit had observed: “An examination of record revealed that an amount of Rs.28,300 out of Rs.43,900 on account of cycle stand/canteen was recoverable for auction money of 1994-95. In addition an amount of Rs.14747 on account of X-Ray Fee, Admission Fee and Purchee Fee etc. was recovered from patients but not deposited . Thus Government sustained a loss to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

55. Para 10.55: Page 150 – Recovery of Excess/Over Payment of Rs.180,954

Audit had observed: “The amount to the above stated extent was excess drawn from the treasury or less paid/not paid to the staff or incorrect totaling of bills. It resulted into loss to Government to the stated extent.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

56. Para 10.56: Pages 150-151 – Non-recovery of Rs.268,762 from the Contractors of Hospital

Audit had observed: “During Audit scrutiny it was observed that Rs.1,190,000 was to be recovered from various contractors of Hospital. Out of this Rs.921,238 were recovered leaving a balance amount of Rs.268,762 recoverable during the year 1994-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the

PAC.

57. Para 10.57: Page 151 – Non-recovery of Stipend and Surety of Absconded/ Dismissed Nursing Students – Rs.408,691

Audit had observed: “The scrutiny of record of the formation revealed that stipend and other allowances were not got refunded from the absconded/dismissed Nursing Students as per Bond. This resulted in loss to Government to the extent of Rs.408,691.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

58. Para 10.58: Pages 151-152 – Non-recovery of Government Dues Amounting to Rs.53,157

Audit had observed: “An Audit scrutiny of record showed that the staff members of DHQ were provided connections from the main supply of the Hospital but they were not paying electricity charges. MS also could not recover the same. This resulted into loss to Government amounting to Rs.53,157 under the charge of MS DHQ Hospital Kasur during 1994-95.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

59. Para 10.59: Pages 152-153 – Non-recovery of Rs.232,550 on Account of Stipend

Audit had observed: “In accordance with the terms and conditions agreed by the trainees 03 years training was to be completed by them failing which they had to refund the stipend received. Scrutiny of the record revealed that five Nurses left their training incomplete but stipend amounting to Rs.232,550 received by them was not refunded. It resulted into loss to the Public Exchequer to the stated extent.”

18-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

60. Para 10.60: Pages 153-154 – Doubtful Purchase of Medicine Worth Rs.359,866

Audit had observed: “An examination of the record revealed that stated amount was re-appropriated to object code 59800-Local Purchase of medicine. Original budget was Rs.1,627,000 and an amount of Rs.2,053,000 was withdrawn without cogent reasons from other districts of Multan Division totaling Rs.3,680,000 during 1993-94. A few prescriptions were collected which revealed that medicines worth thousands of rupees were prescribed for one patient at one time which made the purchase doubtful. The total of 62 chits came to Rs.359,866 which resulted into loss to Government to the stated extent under the charge of DHO Khanewal during 1993-95.”

18-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

61. Para 10.61: Pages 154-155 – Irregular Purchase of Medicine – Rs.2,245,788

Audit had observed: “The scrutiny of record revealed that medicines valuing to the stated extent were purchased transgressing the local purchase power and rule 15.2 of PFR Vol-I was violated which resulted irregular expenditure Rs.2,245,788 during the year 1994-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

62. Para 10.62: Pages 155-156 – Irregular Purchase of Flow Meters Worth Rs.182,020

Audit had observed: “A scrutiny of record showed that 38 Flow Meters of oxygen cylinder were purchased. The purchase rate was on higher side. The purchase of durable goods in excess of Rs.25,000 was also subject to prior approval of Finance Department. Besides purchase was made out of irrelevant code of object it was purchased from a firm, not pre qualified from the Health Department. Purchase was also beyond competency. It was serious violation of instructions and Rules which resulted an irregular and unauthorized expenditure under the charge of DHO Khanewal during the year 1993-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

63. Para 10.63: Page 156 – Irregular Purchase of Medicine – Rs.5,106,281

Audit had observed: “An examination of record showed that the amount to the stated extent was spent on local purchase of medicines by splitting up the vouchers to avoid the sanction of Competent Authority and expenditure was met out of irrelevant code of budget to utilize the available amount in each and every object code which resulted into an irregular expenditure of Rs.5,106,281 under the charge of DHO Khanewal during 1993-95.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

64. Para 10.64: Page 157 – Embezzlement – Purchase of Foam Mattresses – Rs.55,828

Audit had observed: “A scrutiny of record revealed that the stated amount was drawn on 16.6.1993 for the purchase of 34 Molty Foam Mattresses which was subject to the prior approval of Finance Department vide their letter No.Exp.(G)II-22 dated 25.8.1992. In addition neither the indent for issue to Wards was available nor their receipt acknowledged by any body in the ward. It is established that amount stands embezzled, which resulted into loss to Government under the charge of MS THQ Hospital Kabirwala during the year 1992-93.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

65. Para 10.65: Page 158 – Embezzlement of Ambulance Charges and Purchee Fee etc – Rs.137,836

Audit had observed: “An amount of Rs.137,836 received as ambulance charges and Purchee fee from the patients was not deposited into Government Treasury resulting into embezzlement of Government money to the stated extent.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to**

the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

66. Para 10.66: Page 159 – Records Misplaced/Stolen by Ex Junior Clerk – Likely Embezzlement – Rs.1,165,535

Audit had observed: “The accounts records relating to the expenditure/receipt of Rs.1,165,535 were stated to have been misplaced/stolen by the ex-Junior Clerk and were not produced for verification. It is apprehended that embezzlement of Rs.11,65,535 had taken place and the relevant records were destroyed deliberately. The ex-Junior Clerk has been stated as absconded from duty and no practical steps were taken in the meantime.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

67. Para 10.67: Page 160 – Embezzlement of Rs.48,430

Audit had observed: “As per treasury schedule an amount of Rs.48,430 was drawn from Government Treasury during 20.1.1994 to 31.5.1994 as cost of medicines and miscellaneous items. The amount of Rs.48,430 (comprising 9 items) did not appear in the receipt & payment side of Cash Book. The amount was therefore drawn and embezzled.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

68. Para 10.68: Pages 160-161 – Embezzlement – Purchee Fee & Ambulance Charges – Rs.64,152

Audit had observed: “An examination of record of following formations revealed that Purchee

fee and Ambulance charges to the stated extent were collected from patients. These were not deposited into Government Treasury in contravention of Provision of Rule 7(1) of STR. As such it stood embezzled.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

69. Para 10.69: Pages 161-162 – Embezzlement – Auction of Hospital Canteen – Rs.27,800

Audit had observed: “A scrutiny of the bid paper of the hospital canteen revealed that the highest bid of Sh Jamil Qureshi was for Rs.27,800. The amounts of the bid were altered & changed which made the bid doubtful. Moreover not even a single penny was deposited into Government treasury, which resulted into loss of Rs.27,800 under the charge of DHO Khanewal during the year 1993-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

70. Para 10.70: Pages 162-163 – Embezzlement – Less Depositing of Government Money into the Bank (Electricity Bills) – Rs.70,540

Audit had observed: “A scrutiny of the record of the formation revealed that an amount of Rs.440,494 was drawn from the Government Treasury on account of electricity charges and electrification charges of RHCs/BHUs. Out of this amount a sum of Rs..369,954 was deposited with the WAPDA leaving a balance of Rs.70,540. This balance was not found to have been refunded upto now which resulted into loss to Government amounting to Rs.70,540 under the charge of DHO Multan during the year 1993-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

71. Para 10.71: Pages 163-164 – Irregular Expenditure on Account of Installation of Paktel Telephone – Rs.86,279

Audit had observed: “During Audit scrutiny of accounts record it was noticed that Paktel Telephone was purchased for Rs.52,222/50 without sanction of Competent Authority. The expenditure amounting to Rs.34,056/50 was also incurred on payment of monthly bills. The purchase of this item has not been provided in PC-I. The expenditure of Rs.86,279 is irregular.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

72. Para 10.72: Page 164 – Irregular Expenditure on Purchase of POL – Rs.52,305 for Use of Pajero Jeep

Audit had observed: “During Audit scrutiny of accounts record it was noticed that Pajero Jeep amounting to Rs.1,693,000 was purchased for the benefit of project but the same remained under the use of Health Minister without any authority. The vehicles are provided to the Minister by S&GAD. Hence the expenditure amounting to Rs.1,693,000 & 52,305 incurred on purchase of jeep & POL out of Project funds is irregular.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

73. Para 10.73: Page 165 – Shortage of Medicines/Equipment & Misc. Items Worth Rs.412,140

Audit had observed: “Medicines/equipments and other misc. items were found short in the main store and Rural Health Centres, either due to non-accountal or less accountal or non carrying over balances to next year.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

74. Para 10.74: Pages 165-166 – Local Purchase of Medicine Beyond Prescribed Limits Worth Rs.1,948,856

Audit had observed: “It was noted during Audit that Rs.2,567,500 were allocated for purchase of medicine during the years 1992-95. Only 15% of stated amount was admissible for local purchase i.e.

Rs.385,125 but Rs.2,333,398/90 were incurred on local purchase which resulted an expenditure of Rs.1,948,856 beyond the prescribed limit under the charge of MS THQ Kabirwala during 1992-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

75. Para 10.75: Pages 166-167 – Irregular Expenditure on Account of Local Purchase of Medicine Amounting to Rs.950,060

Audit had observed: “A scrutiny of the formation record showed that the amount to the stated extent was spent on the local purchase of medicines by splitting up the expenditure to avoid the sanction of the higher authority.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

76. Para 10.76: Page 167 – Fictitious Issue of Stores Worth Rs.155,055

Audit had observed: “An examination of record revealed that stock valuing to the stated extent were issued twice or thrice on one and the same indent. It resulted in loss of Rs.155,055 to Government under the charge of MS DHQ Hospital Rawalpindi during 1994-95.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

77. Para 10.77: Pages 167-168 – Shortage of Equipments/Instruments Pointed Out But Not Recovered so Far – Rs.140,864

Audit had observed: “The scrutiny of record of the formation revealed that equipments and instruments were shown short at the time of taking/handling over charge of the store and resulted in loss of Rs.152,588/75 to Government under the charge of MS BV Hospital during 1993-94.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such

verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

78. Para 10.78: Pages 168-169 – Shortage of Stocks/Misappropriation – Rs.49,325

Audit had observed: “The stock to the above stated extent was not carried over to new register resulting into misappropriation of stocks articles to the stated amount. When asked about the reasons, it was stated that the items were short.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

79. Para 10.79: Page 169 – Shortage of Stores – Rs.79,166

Audit had observed: “Stores items costing Rs.79,166 were issued from the main store but were not taken in the stock by the receiving Department of the college and were pilfered. The balances were either not carried over or if carried over were taken less contrary to the financial rules.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

80. Para 10.80: Page 170 – Shortage of Stores – Rs.234,407

Audit had observed: “The examination of stores accounts revealed that some store items and equipment were not brought forward or less accounted for in the relevant stock register. It resulted into loss to Government to the stated extent.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

81. Para 10.81: Pages 170-171 – Shortage of Equipments and Instruments – Rs.218,209

Audit had observe: “A scrutiny of record revealed that the equipments and instruments to the stated extent were shown short at the time of taking/handing over charge of the various wards but the shortage was not recovered from the concerned persons even after the expiry of one year which resulted loss to Government amounting to Rs.218,209.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

82. Para 10.82: Page 171 – Shortage of Stock Articles of Rs.168,932

Audit had observed: “The store and stock articles of Rs.168,932 were found short at the time of physical verification conducted by different teams of Health Department during 1994-95. It resulted into loss to Government to the stated extent.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

83. Para 10.83: Page 172 – Non-accountal of Stock Articles – Rs.713,756

Audit had observed: “A scrutiny of record showed that articles purchased valuing to the stated extent were not accounted for as required under Rule 15.4(a) of PFR Vol-I in the relevant stock register. It resulted into loss to the stated extent to Government under the charge of DHO Khanewal during the year 1993-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

84. Para 10.84: Pages 172-173 – Shortage of Store Articles and Equipments – Rs.349,912

Audit had observed: “The scrutiny of the record revealed that stock articles and equipments valuing to the stated extent were misappropriated either by non accountal or working out wrong balances which were not carried forward or not handed over at the time of transfer. This resulted into loss to Government to the stated extent.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

85. Para 10.85: Pages 173-174 – Irregular/Doubtful Repair of Medical Instruments – Rs.510,600

Audit had observed: “The said amount represents the irregular and doubtful repair of Medical Instruments of different loss of Rs.510,600 as the work orders were issued Rural Health Centres of the district resulted loss of Rs.510,600 as the work orders were issued on 12th June, 1995 and the payments were drawn on the same or next date. The repair of X-ray & Dental Units were carried out without its operation since long and District Health Officer incurred expenditure beyond his competency under Rule 3(b)(ii) and without obtaining NOC from Medical workshop.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

86. Para 10.86: Page 174 – Loss on Purchase of Store Articles Below Specification – Rs.92,370

Audit had observed: “A scrutiny of the record revealed that the Cotton Bandages/Stitching Plaster was not received according to the specification given in the quotation which resulted into loss to the public exchequer to the stated extent.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

87. Para 10.87: Page 175 – Loss on Account of Less Collection of Sui Gas Charges – Rs.50,597

Audit had observed: “During Audit scrutiny of accounts record, it was noticed that employees residing in Government residences had been availing the facility of Sui Gas from the bulk feeder. They had been less charged than the prescribed rates by the Principal of the College. This less collection resulted in a loss of Rs.50,597 to Government.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

88. Para 10.88: Pages 175-176 – Loss on Account of Less Collection of Electricity Charges from Employees – Rs.1,504,535

Audit had observed: “During Audit scrutiny of accounts record it was noticed that electricity was being provided to the employees from the bulk Feeder of Allied Hospital although each house owner had a separate sub-meter installed at his home. These occupants of Government residence had not been charged electricity bills according to the rates prescribed by the WAPDA. This financial irregularities caused loss to Government worth Rs.1,504,535.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

89. Para 10.89: Pages 176-177 – Loss Due to Expiry of Medicine – Rs.99,833

Audit had observed: “During the scrutiny of Audit, it was observed that stated amount was drawn vide Diary No.1009 dated 28.6.1995 from DAO Khanewal for the purchase of 4350 Dexamethasone injections. Expiry date of the same was 31.12.95 as it was manufactured in January 1994 as the label affixed indicated that it may be used within two years. Entire stock stand expired which resulted into loss to Government to the stated extent under the charge of MS THQ Hospital Kabirwala during the year 1994-95. Apparently the purchase rates were also on higher side.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

90. Para 10.90: Pages 177-178 – Loss Due to Uneconomical Purchase of Medicines – Rs.99,962

Audit had observe: “The Audit scrutiny of record showed that the medicines were purchased

from Local market at exorbitant rates as compared with the rates of MSD. The Medical Superintendent did not opt for competitive tenders through press rather he opted for the firms of his own choice in contravention of rule 15.2(d) of PFR Vol-I. This resulted into loss to public exchequer amounting to Rs.99,962 under the charge of MS Haji Qayyum Hospital Sahiwal during 1993-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

91. Para 10.91: Pages 178-179 – Loss Due to Purchase on Exorbitant Rates – Rs.71,525

Audit had observed: “A scrutiny of record revealed that 40 kits of various kinds for laboratory were purchased at excessive rates than the price list 1995 issued by “RANDOX”. Which resulted in excess payment to the stated extent by MS THQ Hospital Kabirwala during the year 1994-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

92. Para 10.92: Page 179 – Loss Due to Expired Medicines – Rs.403,415

Audit had observed: “The scrutiny of record revealed that the medicines valuing to the stated extent were purchased from MSD which stood expired before use. This resulted into loss to Government for Rs.403,415 during 1987-94.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

93. Para 10.93: Pages 179-180 – Loss Due to Excessive Rates – Rs.94,055

Audit had observed: “The scrutiny of record revealed that amount of Rs.94,055 was paid in excess on account of purchase of medicine locally instead of obtaining the supply from MSD at lower rates resulting loss to the stated amount.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action

taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

94. Para 10.94: Page 180 – Theft of Government Property – Rs.268,150

Audit had observed: “During Audit it was revealed that Government vehicle No.FDK-9701 and an English typewriter to the stated value were stolen from the hospital which resulted into loss to Government to the stated amount during the year 1994-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

95. Para 10.95: Page 181 – Theft of Surgical Instruments Worth Rs.130,549

Audit had observed: “The scrutiny of record of the Formation revealed that surgical instruments had been stolen from the main medical store which resulted into a loss to Government to the extent of Rs.130,549.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

96. Para 10.96: Pages 181-182 – Theft from Cash Chest – Rs.390,342

Audit had observed: “A sum of Rs.390,342 was stolen from the cash chest during midnight of 3-4/11/95. FIR was lodged with PS Civil Line Gujranwala under No.423/95 dated 4.11.1995. The case is still under investigation with Police authorities. No report of loss was submitted to DG Audit/Secretary Health in violation of Rule 2.35 of PFR Vol-I.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction**

that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

97. Para 10.97: Page 182 – Loss Due to Theft – Rs.51,326

Audit had observed: “A scrutiny of record revealed that a refrigerator and Road Commodities to the stated extent had been stolen. The case was got registered with Police. It resulted into loss of Rs.51,326.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

98. Para 10.98: Pages 182-183 – Pilferage of Medicines Worth Rs.89,980

Audit had observed: “A scrutiny of record transpired that the medicines to the stated extent had been misappropriated by non accountal in expense book, closing balances were not brought forward or wrong totaling was done which resulted into loss of Rs.89,980 to the Government.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

99. Para 10.99: Pages 183-184 – Pilferage of Medicines in Various Wards – Rs.64,870

Audit had observed: “The scrutiny of record of the formation revealed that medicines in various wards had been pilfered by non-accountal in stock register by non bringing forward the balance of last year. This resulted into loss to Government to the extent of Rs.64,870 under the charge of MS BV Hospital, Bahawalpur during 1993-94.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

100. Para 10.100: Page 184 – Unauthorized Award of Advance Increments – Recovery of Rs.68,542

Audit had observed: “In terms of FD letter No.FD/FR(12-3)I PT-III dated 17.3.1992 the advance increments can be granted to those officials who acquire and improve technical qualification in the field in which they are working. It was observed that Para-medical staff was granted advance increments for improving academic qualifications, which was quite unjustified and severe violation of FD’s instructions. It resulted into loss to public exchequer to the stated extent.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

101. Para 10.101: Page 185 – Re-appropriation of Funds Beyond Prescribed Limit – Rs.2,018,255

Audit had observed: “During the scrutiny of record it was observed that heavy amount was re-appropriated under the charge of MS THQ Kabirwala during the year 1992-93. The Re-appropriation over Rs.50,000 was subject to the prior approval of Finance Department vide sub-clause (vii) of their letter dated 25.8.1992.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

102. Para 10.102: Pages 185-186 – Irregular Re-appropriation of Rs.2,669,490

Audit had observed: “A scrutiny of record of the formation showed that re-appropriation of more than Rs.50,000 restoration of diverted reappropriation from some prohibited object codes was made in contravention to all restrictions, which resulted into an irregular and unauthorized expenditure under the charge of DHO Khanewal during the year 1993-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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

December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

103. Para 10.103: Page 186 – Medicines Not Used Within Expiry Date – Loss of Rs.98,515

Audit had observed: “A scrutiny of the record revealed that the medicines lying in the store were not used within the specified time hence these were expired. Which resulted into loss of Rs.98,515.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

104. Para 10.104: Page 187 – Non-production of Record for Rs.2,715,069

Audit had observed: “A scrutiny of record showed that the amount to stated extent was drawn on account of local purchase of medicine, TA bills, Medical re-imburement and other contingencies and the amount was shown as paid in cash book. But actual payees receipts in support of payment were not produced in contravention of the provision of Rules 8.5 of PFR Vol-I. There is apprehension that the amount may have been embezzled under the charge of DHQ during 1993-95.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

Commercial Audit Punjab Pharmacy Council, Lahore

1. Paras 3(x) & (xi): Page 6 – Non-compilation of Accounts

Government Medical Stores Depot., Lahore
Punjab Health Foundation

1987-88 to 1995-96
1992-93 to 1995-96

25-7-02: The PAC noted the contents of the audit para and directed that the Departments should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that accounts are compiled and submitted to Audit in time.

2. Para 93: Page 63 – Punjab Pharmacy Council, Lahore

Audit had observed: “The Council was established in November, 1969 under Pharmacy Act, 1967. Its functions are to (i) prepare and maintain registers of pharmacists in pharmacy (ii) register Pharmacists and grant of certificates of registrations as Pharmacists; and (iii) do such other acts and things as it may be empowered or required to do by this Act...The enrollment in Register ‘C’ remained discontinued since, 1981. No examination of apprentices has been held since November 1991. Thus the role of the Council was confined to renewal and registration of pharmacists. The circumstances leading to non-conducting of examination need to be explained. Necessary steps also need to be taken to enable the council to come out of the present stagnant

position.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 94: Page 64 – Working Results of Punjab Pharmacy Council, Lahore for the year 1995-96

25-7-02: The Committee **noted** the working results.

Home Department

Overview

Total Paras	Civil
16	16

Abstract

Status	Decision	Para Nos.	Total
Paras Conditionally Settled 15	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months..	Civil: 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.9, 11.10, 11.11, 11.12, 11.13, 11.15, 11.16.	15
Paras Pended 1	The para was pended with the direction that the SDAC shall consider the matter and submit its report for consideration by the Committee.	Civil: 11.14	1

Discussed on 25 July 2002

Civil Audit

1. Para 11.1: Page 189 – Non-deposit of Public Money Amounting to – Rs.120,948

Audit had observed: “An Audit scrutiny of record of SSP Multan showed that Police Department posted Police guard at Multan Corporation. According to Government instructions vide letter No.HP.II/15-6/94 dated 15.12.1994, the salaries and allowances of staff were to be deposited into Government Treasury by Multan Corporation. The needful was not done. This resulted into loss to public exchequer amounting to Rs.120,948 during 1994-95 under the charge of SSP Multan.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to**

the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para 11.2: 190 – Non-deposit of Auction Money into Government Treasury – Rs.478,250

Audit had observed: “The scrutiny of record showed that canteen and Cycle Stand was leased out during the period 1991-92 to 1994-95 but the lease money was not deposited into Government Treasury, which resulted a loss to Government amounting to 478,250.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 11.3: Page 191 – Non-deposit of Rs.411,000 into Government Treasury

Audit had observed: “Scrutiny of record revealed that auction money of Canteen for the year 1993-94 was realized from the contractor but not deposited into Government Treasury resulting in loss to Government for Rs.411,000.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para 11.4: Pages 191-192 – Non-deposit of Government Receipt – Rs.157,200

Audit had observed: “The scrutiny of record revealed that the canteen was situated within the premises of Jail the auction money of canteen was deposited into welfare fund instead of the same crediting into Government treasury amounting to Rs.157,200 under the charge of Superintendent District Jail, RY Khan during 1994-95.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

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 December

2002. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 11.5: Page 192 – Excess Calls on Residential Telephone No.31092 – Rs.200,265 + Overseas Calls Rs.13,862 = Rs.214,127

Audit had observed: “A scrutiny of telephone bills revealed that the excess calls were made from residential telephone than the prescribed limit fixed by Finance Department vide letter No.FD (Prov-II)2-1/Tele/82(Prov) dated 10.7.1988. It resulted into loss to the Government to the stated extent in addition to overseas calls of Rs.13,862. Thus total loss to public exchequer worked out to Rs.214,127.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 11.6: Page 193 – Excess Payment of Rs.83,447 – Residential Telephone

Audit had observed: “In accordance with Finance Department letter No.FD/(PB)-11-1/Tele/82 Provincial dated 10.7.1988, the superintendent of Police was entitled to 900 calls per month. It was observed that excess calls were made from residential telephone No.2903 which was subsequently changed as 4210. It resulted into excess payment of Rs.83,447 under the charge of Superintendent of Police, Kasur during 1993-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para 11.7: Pages 193-194 – Excess Expenditure on Residential Telephone Amounting to Rs.96,021

Audit had observed: “An examination of record showed that an amount of Rs.142,621 was paid out of Government funds for telephone calls made in excess of entitlement from the residential Telephone. According to Government of Punjab FD letter No.FD(PN.II)2-1/Tele/5-2(Prov)dated 10 July 1988 the Commandant Border Military Police was entitled to 900 calls per month which resulted into loss to Government of Rs.96,021 under the charge of Commandant BMP Rajanpur during 1993-94.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para 11.8: Pages 194-195 – Un-authorized Purchase of Uniform for Police Qaumi Razakars – Rs.399,912

Audit had observed: “A scrutiny of record revealed that the expenditure to the stated extent was incurred on the purchase of uniforms for Police Qaumi Razakars in contravention of the instructions continued in letter No.20-1/HP-11/71, dated Ist April, 1996 which provided for uniform allowance. This resulted in an un-authorized and irregular expenditure amounting to Rs.399,912.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 11.9: Page 195 – Irregular Drawal of House Rent Allowance – Rs.185,673

Audit had observed: “An Audit scrutiny of record showed that staff members of SP Kasur had been availing the facility of Government accommodation in the premises of Police Line and at the same time they were drawing House Rent Allowance to the stated extent for which they were not entitled. This resulted into loss to public exchequer amounting to Rs.185,673 under the charge of SP Kasur.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para 11.10: Page 196 – Non-payment of Government Dues Recovery Amounting to Rs.122,336

Audit had observed: “An amount of Rs.122,336 was recoverable from the officers of Jail on account of electricity, Telephone and Sui Gas bills which had not year been deposited by them. It resulted into loss to Government to the stated extent.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of

the PAC.

11. Para 11.11: Pages 196-197 – Non-recovery of Sale Proceed of Fodder – Rs.42,800

Audit had observed: “The scrutiny of record revealed that Barseem fodder was auctioned for Rs.156,000 on 21st December 1993 and sum of Rs.113,200 was recovered and deposited. The balance of Rs.42,800 was still to be recovered. It resulted into loss to Government to the stated extent under the charge of Superintendent Central Jail, Sahiwal during 1993-94.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para 11.12: Page 197 – Shortage of Stock Articles Amounting to Rs.64,145

Audit had observed: “A comparison of Main Store register of SP Office with the stock registers of Police Stations showed that the stock articles valuing to the stated extent were found short which resulted into loss to Public exchequer amounting to Rs.64,145 during 1994-95 under the charge of SP Rahim Yar Khan.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 11.13: Page 198 – Shortage of Store Articles Recovery of Rs.917,005

Audit had observed: “The scrutiny of the stock/stores registers revealed that stores valuing to Rs.917,005 were found short at the time of handing over charge by the Jail authorities. The amount was neither recovered from the official concerned nor responsibility was fixed after holding inquiry.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

14. Para 11.14: Pages 198-199 – Un-authorized Excess Payment of Rs.50,723

Audit had observed: “An examination of record revealed that amount to the stated extent was paid either

to dismissed/retired officials or were excess paid to few officials than their entitlement. It resulted into loss to the stated extent to public exchequer.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

15. Para 11.15: Page 199 – Risk Purchase Recovery of Rs.57,092

Audit had observed: “The scrutiny of the record revealed that in certain cases the Dietary Articles had been purchased over and above the Contract Rate which resulted in Financial Loss to Government amounting to Rs.57,092 under the charge of Superintendent, District Jail, Rajanpur during the year 1994-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

16. Para 11.16: Page 200 – Irregular/Overpayment of Technical Allowance @ 20% to Drivers Amounting to Rs.184,294

Audit had observed: “An examination of record revealed that stated amount had been paid to drivers working in the office of SP Special Branch Faisalabad in contravention of instructions issued vide FD Notification No.FD-PC-14-3/87 dated 22.5.90. It resulted into an irregular payment of Rs.184,294 under the charge of SP Special Branch Faisalabad During 1994-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Housing, Urban Development and Public Health Engineering Department

Overview

Total Paras	Works
126	126

Abstract

Status	Decision	Para Nos.	Total
7	Paras finally settled as the requisite action had been taken.	Works (H&PP): 65(2).	1
		PHE: II-B.1, II-B.2.	2
		Annexure Paras: III-7.	1
		Annexure Paras (LDA): VI, I-24, IV-4.	3
84	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months..	Works: I-A.1, I-A.2, I-A.3, I-B.1, I-C.1, III-1, IV-1, IV-2.	8
		PHE: I-A.1, I-A.3, I-A.4, I-A.5, I-A.6, I-A.7, I-A.8, I-B.1, I-B.3, I-B.4, I-B.5, I-B.6, I-C.1, I-C.2, I-C.3, I-C.4, I-C.5, I-D.1, I-D.2, I-D.3, I-D.4, I-E.1, I-E.2, I-E.3, I-G.1, I-G.2, I-H.1, II-A.1, II-A.3, II-A.4, II-A.5, II-A.6, II-A.7, II-A.8, II-C.1, III-A.8, III-A.9, III-A.10, III-A.11, III-A.12, III-B.1, III-B.2, III-C.1, III-E.1, III-F.1, IV-A.2, IV-C.1, V-1, V-2.	49
		LDA: I-1, I-2, I-3, II-A.1, II-A.2, II-A.3, II-A.4, II-A.5, II-A.6, II-B.1, II-C.1, III-1.	12
		GDA: I-1, I-2, II-1, II-2, II-3, II-4, II-5, IV-1, V-1.	9
		FDA: I-1, I-2, I-3.	3
		MDA: I-1, I-2, II-1.	3
Paras Pended	Paras were pended either because with the direction that the SDAC shall	Works: II-1, III-2, IV-3.	3
		PHE: I-A.2, I-B.2, I-F.1, I-F.2, I-F.3, II-A.2, III-A.1, III-A.2, III-A.3, III-A.4, III-A.5, III-	17

35	consider the matter and submit its report for consideration by the Committee or the Committee decided to have working paper for consideration.	A.6, III-A.7, III-D.1, IV-A.1, IV-B.1, IV-B.2	
		Annexure Paras (H&PP): 66(3), 65(3), 64(2), 64(1), 63(1), 64(4), 64(5), 81-2(c), 81-2(a), 82(1), II-3.	11
		Annexure Paras (LDA): II(I).	1
		GDA: III-1	1
		FDA: II-1	1
		Annexure Para: I-10.	1

Discussed on 25 July and 1 August 2002

Public Health Engineering Department

Works Audit

1. Para I-A.1: Page 130 – Excessive Measurements – Public Health Engineering Division No. 1 Rawalpindi – Rs.67,393

Audit had observed: “According to the analysis of rates approved by the Standing Rates Committee, 110 cft and 135 cft loose stone is required for 100 cft complete item of work “dumping without boat” and “stone filling behind retaining walls” respectively. A division paid carriage of 32133 cft loose stone same quantity was paid as finished work without applying the deduction factor. The excessive measurements resulted in an excess payment of Rs.67,393 in January 1994.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para I-A.2 Pages 130-131 – Excessive Measurements – Public Health Engineering Division Gujrat – Rs.652,227

Audit had observed: “A division made payment for an item of work “extra brick work laid on base concrete for reimbursement” whereas the reimbursement was to be laid on the base concrete as per specification No. 17.1.9 of Public Health Engineering Department. The payment for extra brick work

resulted in an excess payment of Rs.652,227 in March and April 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

3. Para I-A.3: Page 131 – Excessive Measurements – Public Health Engineering Division Gujrat Excess Payment of Rs.81,243

Audit had observed: “A division measured and paid “pacca brick work on edge in reimbursement” in cement, sand mortar of ratio of 1:3 for construction of drains instead of the permissible ration of cement and sand mortar of 1:5 as provided in specification No. 17.1.9 of book of Specification of Public Health Engineering Department. This resulted in an excess payment of Rs.81,243 in March and April 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para I-A.4: Pages 131-132 – Excessive Measurements – Public Health Engineering Division Gujrat – Rs.79,894

Audit had observed: “A division excavated earth for a depth of 2” but thickness of 3” of cement concrete with brick or stone ballast 1:6:12 in foundation & plinth was measured/paid. The laying of 3” cement concrete in the excavated reaches of 2” depth was not possible/justified. This resulted in an excess payment of Rs.79,894 during 1994-95.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para I-A.5: Page 132 – Excessive Measurements – Public Health Engineering Division Narowal – Rs.62,065

Audit had observed: “A division measured and paid pacca brick work in foundation and plinth in certain reaches in excess of the actual length of 1640 rft of pacca drains. This resulted in an excess payment of Rs.62,065 to contractor in May 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para I-A.6: Pages 132-133 – Excessive Measurements – Public Health Engineering Division Sheikhpura – Rs.276,894

Audit had observed: “A division recorded measurements for the excessive width of the street pavement than those admissible under the approved site plan and technically sanctioned estimate. This resulted in an excess payment of Rs.276,894 in May 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para I-A.7: Page 133 – Excessive Measurements – Public Health Engineering Division No. II Faisalabad – Rs.111,973

Audit had observed: “A division recorded measurements for brick pavement in excess of the site plan and provisions made in the revised technically sanctioned estimates/contract agreement. This resulted in an excess payment of Rs.111,973 in June 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor

the implementation of the directive of the PAC.

8. Para I-A.8: Pages 133-134 – Excessive Measurements – Public Health Engineering Division No. II Faisalabad – Rs.60,338

Audit had observed: “A division measured and paid excessive quantities of brick work of drain type I & II than that admissible under the approved design and provisions of the technically sanctioned estimate. This resulted in an excess payment of Rs.60,338 in 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para I-B.1: Page 134 – Payments at Higher Rates – Public Health Engineering Division No.II Rawalpindi – Rs.58,058

Audit had observed: “A division made payment for earth work excavation for water supply lines @ Rs.287.40 per % cft instead of admissible rate of Rs. 114.95 per % cft. This resulted in an overpayment of Rs.58,058 in December 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para I-B.2: Page 135 – Payments at Higher Rates – Public Health Engineering Division Hafizabad – Rs.196,649

Audit had observed: “A division made payment @ Rs.21.05 per cft on account of reinforced cement concrete (R.C.C.) slab in drain Type I & II instead of the admissible rate of Rs.15.70 per cft as per Finance Department letter of 2 May 1993. This resulted in an excess payment of Rs.196,649 from March 1993 to May 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

11. Para I-B.3: Page 135 – Payments at Higher Rates – Public Health Engineering Division Hafizabad – Rs.79,313

Audit had observed: “A division paid higher rates for brick work than those decided to be paid by the Standing Rates Committee in its 88th meeting held on 2 September 1990. This resulted in an excess payment of Rs.79,313 in April and May 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para I-B.4: Page 136 – Payments at Higher Rates – Public Health Engineering Division Hafizabad – Rs.71,385

Audit had observed: “A division measured/computed excessive quantities of brick work. Furthermore, an incorrect rate for reinforced cement concrete (R.C.C.) 1:2:4 for slabs over drain type-I was allowed. This resulted in an excess payment of Rs.71,385 to the contractors in February 1994 and May 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para I-B.5: Page 136 – Payments at Higher Rates – Public Health Engineering Division Sheikhupura – Rs.53,490

Audit had observed: “A division made payment for reinforced cement concrete (RCC) 1:2:4 @ Rs.21.05 per cft instead of the admissible rate of Rs.15.70 per cft as per clarification of the Standing Rates Committee of 2 May 1993. This resulted in an excess payment of Rs.53,490 in January 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by Audit. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the

implementation of the directive of the PAC.

14. Para I-B.6: Page 137 – Payments at Higher Rates – Public Health Engineering Division Toba Tek Singh – Rs.53,971

Audit had observed: “A division allowed excessive rates for CI flanges of 3” & 4” i/d and reinforced cement concrete (RCC) 1:2:4 to the contractor than that admissible under Composite Schedule of Rates 1979. This resulted in an excess payment of Rs.53,971 from June 1994 to May 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

15. Para I-C.1: Pages 137-138 – Payments Without Provisions in the Technical Sanctioned Estimates – Public Health Engineering Division Hafizabad – Rs.60,609

Audit had observed: “A division measured earth filling under street pavement without any provision in the technically sanctioned estimate, DNIT/contract agreement and paid at higher rates as non-schedule item for which no rate analysis was approved from the competent authority. This resulted in excess payment of Rs.60,609 to a contractor in April and May 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

16. Para I-C.2: Page 138 – Payments Without Provisions in the Technical Sanctioned Estimates – Public Health Engineering Division Toba Tek Singh – Rs.104,886

Audit had observed: “A division measured and paid certain quantities of laying 6” i/d & 3” i/d PVC pipe lines which were not provided in the lay out plan and technically sanctioned estimate. This resulted in an excess payment of Rs.104,886 in 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject**

to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

17. Para I-C.3: Page 138 – Payments Without Provisions in the Technical Sanctioned Estimates – Public Health Engineering Division Jhang – Rs.66,383

Audit had observed: “A division incorrectly measured and paid for street pavement and earth filling in certain streets/lines without any provision in site plan and revised technically sanctioned estimate. This resulted in an excess payment of Rs.66,383 in 1994.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

18. Para I-C.4: Page 139 – Payments Without Provisions in the Technical Sanctioned Estimates – Public Health Engineering Division Bahawalpur – Rs.496,698

Audit had observed: “A division paid for certain items of work in excess of the provision made in the estimate sanctioned technically and without obtaining the prior approval of the competent authority as required under the rules. This resulted in an excess payment of Rs.496,698 in January 1995.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

19. Para I-C.5: Pages 139-140 – Payments Without Provisions in the Technical Sanctioned Estimates – Public Health Engineering Division Rahim Yar Khan – Rs.127,860

Audit had observed: “A division made payment for certain items of work in excess or without any provision in the estimate duly sanctioned by the competent authority. The prior approval of the authority was also not obtained for the execution of these items as required under the decision of the Finance Department of 27 March 1990. This resulted in an excess payment of Rs.127,860 in 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

20. Para I-D.1: Page 140 – Payment of Excessive Quantities – Public Health Engineering Division No.I Rawalpindi – Rs.101,597

Audit had observed: “A division made lump sum provision for fabrication of mild steel @ 9 lbs per cft of reinforced cement concrete (R.C.C.) work in the detailed technically sanctioned estimate without supporting bar binding schedule. The final payment was however, made for 89905 kg against the permissible quantity of 86035 kg computed for 21102.63 cft of reinforced cement concrete (R.C.C.) work on the basis of formula approved in the estimate. This resulted in an excess payment of Rs.101,597 in November 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

21. Para I-D.2: Pages 140-141 – Payment of Excessive Quantities – Public Health Engineering Division Hafizabad- Rs.150,337

Audit had observed: “A division measured and paid excessive quantity of brick work against the standard design and technically sanctioned estimate. This resulted in an excess payment of Rs.150,337 in April 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be

taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

22. Para I-D.3: Page 141 – Payment of Excessive Quantities – Public Health Engineering Division Hafizabad – Rs.128,006

Audit had observed: “A division measured and paid excessive quantity of brick work of sullage channel than that provided in the approved sanction, hydraulic design and technically sanctioned estimate. This resulted in an excess payment of Rs.128,006 to the contractor in June 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

23. Para I-D.4: Pages 141-142 – Payment of Excessive Quantities – Public Health Engineering Division Hafizabad – Rs.59,433

Audit had observed: “A division measured and paid excessive quantities of concrete, excavation and brick work than those provided in the technically sanctioned estimate. This resulted in an excess payment of Rs.59,433 in June 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

24. Para I-E.1: Page 142 – Non-Deduction of Available Earth – Public Health Engineering Division Hafizabad – Rs.60,426

Audit had observed: “A division failed to deduct available earth at site from the quantities of earth brought from outside source. This resulted in an overpayment of Rs.60,426 in May and July 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by Audit. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

25. Para I-E.2: Pages 142-143 – Non-Deduction of Available Earth – Public Health Engineering Division Jhang – Rs.51,026

Audit had observed: “A division failed to adjust/deduct the available earth from the earth brought from outside source for filling under street pavements. This resulted in an excess payment of Rs.51,026 in May 1994 and June 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by Audit. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

26. Para I-E.3: Page 143 – Non-Deduction of Available Earth – Public Health Engineering Division Khanewal- Rs.233,221

Audit had observed: “A division did not utilize excavated quantity of earth from surface drains/reinforced cement concrete (RCC) sewer available at site after required rehandling. The non-deduction of available earth from the quantity of new earth brought from outside source resulted in an excess payment of Rs.233,221 in February to October 1994 and March 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

27. Para I-F.1: Pages 143-144 – Defective Tendering – Public Health Engineering Division Hafizabad – Rs.219,097

Audit had observed: “A division splitted the work into two groups without the sanction of the competent authority and awarded the works of both the groups to the same contractor being the lowest tenderer, but while issuing acceptance letter reduced the quantities of items having lesser rates and increased the quantities of items having higher rates. This resulted in an excess payment of Rs.219,097 in May 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31.12.2002 for consideration by the PAC.

28. Para I-F.2: Page 144 – Defective Tendering – Public Health Engineering Division Hafizabad – Rs.74,173

Audit had observed: “A division invited tenders on item rate basis but while issuing acceptance letter, quantities of items for which contractor quoted less rates were reduced and the balance quantities were got executed from the same contractor at higher rates in another contract. This resulted in an excess payment of Rs.74,173 in January 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

29. Para I-F.3: Pages 144-145 – Defective Tendering – Public Health Engineering Division Hafizabad – Rs.66,003

Audit had observed: “A division initially measured an item of work for group-1 of a scheme which carried lesser rate and later on the same was included in the set of measurements pertaining to group-II of that scheme and paid at higher rates. This resulted in an excess payment of Rs.66,003 in May 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

30. Para I-G.1: Page 145 – Price Variation – Public Health Engineering Division Lahore – Rs.78,422

Audit had observed: “A division made payment to a contractor on account of price variation for steel and cement at incorrect rate and before completion of the work. Payment was not admissible with the running bill vide Finance Department’s letter of 2 April 1992. This resulted in an overpayment of Rs.78,422 in June 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

31. Para I-G.2: Pages 145-146 – Price Variation – Public Health Engineering Division

Bahawalpur – Rs.201,050

Audit had observed: “A division made payment on account of price variation by unauthorized waiving off the penalty already imposed and recovered by the competent authority in May 1990. Thus price variation was not admissible under clause 55(e) of the agreement. This resulted in an excess payment of Rs.201,050 to the contractor in March 1992.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

32. Para I-H.1: Page 146 – Double Measurement – Public Health Engineering Division No.II Gujranwala – Rs.71,975

Audit had observed: “A division made double measurement for 4080 sft of providing & laying dry brick pavement/soling in street etc. for the same site. This resulted in an excess payment of Rs.71,975 in January 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

33. Para II-A.1: Page 147 – Non-recovery of Secured Advance – Public Health Engineering Division No.II Rawalpindi – Rs.449,305

Audit had observed: “A division failed to recover/adjust amount of secured advance paid to a contractor in June 1992. This resulted in non-recovery of Government dues of Rs.449,305.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

34. Para II-A.2: Pages 147-148 – Non-recovery of Secured Advance – Public Health

Engineering Division No.II Rawalpindi – Rs.332,525

Audit had observed: “In a division pipes of various size were reported to have not been laid on the site of work besides the fact that secured advance was paid to the contractor against the security of the said pipes. Last bill was abstracted for a minus amount of Rs.127,880 in April 1994 whereas the amount recoverable worked out to Rs.332,525 including the interest on unrecovered amount of secured advance which was not pre-audited/passed by the Divisional Officer. Furthermore, the pipes were also removed by the contractor after receiving the payment. This resulted in non-recovery of Rs.332,525 of Government dues.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

35. Para II-A.3: Page 148 – Non-recovery of Secured Advance – Public Health Engineering Division No.II Rawalpindi – Rs.247,000

Audit had observed: “A division paid secured advance to a contractor in February 1993 and October 1994 but actually no work has been executed since then. This resulted in non-recovery of Rs.247,000 of Government dues.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

36. Para II-A.4: Page 149 – Non-recovery of Secured Advance – Public Health Engineering Division Gujrat – Rs.1,988,260

Audit had observed: “A division failed to recover/adjust the amounts of secured advance from June 1990 to 1994. This resulted in non-recovery of Government dues amounting to Rs.1,988,260.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

37. Para II-A.5: Page 149 – Non-recovery of Secured Advance – Public Health Engineering Division Narowal – Rs.818,966

Audit had observed: “A division failed to recover/adjust secured advance paid to various contractors from February 1983 to September 1994. This resulted in non-recovery of Government dues amounting to Rs.818,966.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

38. Para II-A.6: Pages 149-150 – Non-recovery of Secured Advance – Public Health Engineering Division Narowal – Rs.84,375

Audit had observed: “A division failed to recover/adjust the amount of secured advance paid to a contractor in February 1994. This resulted in non-recovery of Rs.84,375 of Government dues.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

39. Para II-A.7: Page 150 – Non-recovery of Secured Advance – Public Health Engineering Division Khushab – Rs.63,980

Audit had observed: “A division failed to recover the amount of secured advance from the contractor to whom work was allotted in May 1989 and last payment was made in August 1993. This resulted in non-recovery of Rs.63,980 of Government dues.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the

persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

40. Para II-A.8: Pages 150-151 – Non-recovery of Secured Advance – Public Health Engineering Division No.II Faisalabad -Rs.58,180

Audit had observed: “A division failed to recover the amount of secured advance plus interest thereon from a contractor who abandoned the work since June 1993. This resulted in non-recovery of Rs.58,180 of Government dues.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

41. Para II-B.1: Page 151 – Non-recovery of Professional Tax – Public Health Engineering Division Kasur – Non-recovery of Rs.102,000

Audit had observed: “A division did not recover professional tax amounting to Rs.102,000 from different contractors during 1993-94/1994-95 as required under the Finance Act. This resulted in non-recovery of Rs.102,000 of Government dues.”

1-8-02: The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Department to have deducted the same at source. **The para was settled.**

42. Para II-B.2: Page 151 – Non-recovery of Professional Tax – Public Health Engineering Division Bahawalpur – Rs.69,500

Audit had observed: “A division failed to recover the professional tax for the year 1994-95 at source as required under Finance Act. This resulted in non-recovery of Rs.69,500 of Government dues.”

1-8-02: The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Department to have deducted the same at source. **The para was settled.**

43. Para II-C.1: Page 152 – Irregular Expenditure – Public Health Engineering Division Kasur – Rs.74,000

Audit had observed: “In a division a Sub-divisional Officer incurred expenditure irregularly and amount was placed in “Misc. PW Advances” in June 1993 recoverable from the officer but not recovered so far. This resulted in non-recovery of Rs.74,000 of Government dues.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

44. Para III-A.1: Page 153 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division No.1 Rawalpindi – Rs.1,180,798

Audit had observed: “Delegation of Financial Powers 1990 authorizes engineering departments to accept tenders up to 4.5 % above the amount of estimate sanctioned technically. To the contrary a division accepted tenders at 27.38 % above the sanctioned estimate in violation of the ceiling fixed by the Government. This resulted in a loss of Rs.1,180,798 to Government in December 1992.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

45. Para III-A.2: Pages 153-154 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division No.II Rawalpindi – Rs.124,867

Audit had observed: “A division unauthorisedly revised the estimate for the second time with higher rates of premium in January 1995 without revision of administrative approval as required under the rules after receiving tenders. The rates accepted were even beyond the revised technically sanctioned estimate. The acceptance of higher rates thus resulted in a loss of Rs.124,867 to Government in January 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

46. Para III-A.3: Page 154 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division Gujrat – Rs.565,624

Audit had observed: “Delegation of Financial Powers Rules 1990 provided that the amount of lowest accepted tender should not be more than 4.5 % of the amount for which technical sanction has been accorded by the competent authority. Contrary to that a division accepted the tenders ranging from 13.46 % to 17.74 % above the amount of technical sanction. This resulted in a loss of Rs.565,624 to Government in April and June 1994.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

47. Para III-A.4: Pages 154-155 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division Lahore – Rs.3,96,833

Audit had observed: “A division accepted tender for a work at 16.46 % above the estimated amount against the permissible limit of 4.50 % fixed by the Government in Delegation of Financial Powers Rules 1990. This resulted in a loss of Rs.396,833 to Government in June 1993.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

48. Para III-A.5: Page 155 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division Sheikhpura – Rs.345,219

Audit had observed: “Delegation of Financial Powers Rules 1990 authorized the engineering departments to accept the lowest tenders for such an amount/rate which will not exceed the amount of technical sanction by more than 4.5 %. Contrary to that a division accepted tenders for amounts/rates in excess of the prescribed limit of 4.50 % above the amount of technical sanction. This resulted in a loss of Rs.345,219 to Government in October/November 1994 and May 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

49. Para III-A.6: Page 156 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division No.II Faisalabad – Rs.176,944

Audit had observed: “A division accepted tenders at 14.97 % and 19.77 % above the estimated cost in contravention of the provisions of Delegation of Financial Powers Rules 1990, which authorized the engineering departments to accept lowest tender provided cost thereof may not exceed 4.5 % the

technical sanction. This resulted in a loss of Rs.176,944 to Government in January 1994 and June 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

50. Para III-A.7: Pages 156-157 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division No.II Faisalabad – Rs.61,403

Audit had observed: “A division rejected single tender with lowest rates only to avoid the approval of the higher authority as required under the Financial Rules. Furthermore, the work was awarded at higher rates to the same contractor whose tender was rejected being single tender. This resulted in a loss of Rs.61,403 to Government in May 1993.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

51. Para III-A.8: Page 157 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division Jhang – Rs.179,590

Audit had observed: “A division splitted a work into four groups without the approval of the Chief Engineer and awarded the work at higher rates as compared to the rates of group-I. Approval for the splitting was required to be obtained under Finance Department letter of June 1991. The un-authorized award of work on higher rates resulted in a loss of Rs.179,590 to Government in January 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

52. Para III-A.9: Pages 157-158 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division Toba Tek Singh – Rs.66,809

Audit had observed: “In a division tenders for a work were accepted at 15.64 % above the amount of technical sanction instead of the admissible ceiling of 4.5 % fixed by the Government in Delegation of Financial Powers Rules 1990. This resulted in a loss of Rs.66,809 to Government in May 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject**

to the following direction –

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

53. Para III-A.10: Page 158 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division Sargodha – Rs.96,435

Audit had observed: “A division accepted the tenders beyond the permissible limit of 4.5 % as fixed by the Government in Delegation of Financial Powers Rules 1990. This resulted in a loss of Rs.96,435 to Government during 1994-95.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

54. Para III-A.11: Pages 158-159 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division Khushab – Rs.87,841

Audit had observed: “In a division a single tender was accepted at 27.08 % above the estimated cost in contravention of the provisions of Delegation of Financial Powers Rules 1990 which authorized to accept the lowest tender provided its cost did not exceed the amount of technical sanction by more than the 4.5 %. This resulted in a loss of Rs.87,841 to Government in November 1991.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

55. Para III-A.12: Page 159 – Acceptance of Tenders at Higher Rates – Public Health Engineering Division Bahawalpur – Rs.84,665

Audit had observed: “A division accepted tenders at 60 % and 50.79 % above the estimated cost against the permissible ceiling of 4.5 % fixed by the Government in Delegation of Financial Powers Rules 1990. This resulted in a loss of Rs.84,665 to Government in June and December 1991.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

56. Para III-B.1: Pages 159-160 – Risk & Cost and Abandoned Work – Public Health Engineering Division No.II Faisalabad – Rs.307,644

Audit had observed: “A division failed to recover the differential cost of work from a defaulting contractor whose work was awarded to another contractor at his risk & cost. This resulted in a loss of Rs.307644 to Government in February 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

57. Para III-B.2: Page 160 – Risk & Cost and Abandoned Work – Public Health Engineering Division Sargodha – Rs.187,000

Audit had observed: “In a division a contractor abandoned the work after receiving 3rd running payment in February 1992 and did not resume it up to June 1994. Thereafter, original scope of scheme was changed and thus the expenditure already incurred became valueless. No penalty on account of abandonment of work was imposed upon the defaulting contractor. This resulted in a loss of Rs.187,000 to Government in February 1992.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

58. Para III-C.1: Page 161 – Misappropriation of Material – Public Health Engineering Division No.II Rawalpindi – Rs.156,942

Audit had observed: “A division procured 6000 rft AC pipe of 12” dia class “B” in August 1990 for use on a work and issued to the contractor in April 1992. The contractor paid only 4910.5 rft pipe up to

May 1993. The remaining 1089.5 rft pipe was neither taken back and accounted for in the stock nor recovery thereof made from the contractor who failed to lay the pipe in question. The pipe has thus been misappropriated which resulted in a loss of Rs.156,942 to Government.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

59. Para III-D.1: Pages 161-162 – Non-execution of Work Having Lesser Rates – Public Health Engineering Division Hafizabad – Rs.94,796

Audit had observed: “A division awarded a work on item rate basis and got executed the items of work having higher rates, while items carrying lesser rates were not executed. Non execution of items having lesser rates resulted in a loss of Rs.94,796 to Government in February 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

60. Para III-E.1: Page 162 – Irregular Award of Work – Public Health Engineering Division Hafizabad – Rs.72,161

Audit had observed: “A division invited tenders on item rate basis and awarded the work to the second lowest bidder without sanction of the competent authority. This resulted in a loss of Rs.72,161 to Government in October 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

61. Para III-F.1: Page 162 – Loss of Measurement Books – Public Health Engineering Division No.II Faisalabad

Audit had observed: “In a division six (6) measurement books were found lost but the Department failed to report the loss to Audit as well as higher authorities as required under rules.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

62. Para IV-A.1: Pages 163-164 – Irregular Expenditure – Public Health Engineering Division Gujrat – Rs.3,472,433

Audit had observed: “A division enhanced the agreed amount from Rs.2,165,543 to Rs.3,472,433 under the orders of the Superintending Engineer. The enhancement in the agreed amount was to be accorded by the Administrative Department in terms of Finance Department letter of 31 December 1992. This resulted in an irregular enhancement of agreed amount of Rs.3,472,433 in April 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

63. Para IV-A.2: Page 164 – Irregular Expenditure – Public Health Engineering Division Sargodha – Rs.1,404,000

Audit had observed: “A division awarded a work without obtaining approval of the Chief Engineer for splitting up work in groups and also enhanced the agreement amount for one of the contract from Rs.79,000 to Rs.1,404,000 without approval of the competent authority in contravention of the codal requirements and subsequent instructions issued by the Finance Department in this regard. This resulted in an irregular expenditure of Rs.1,404,000 in March 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

64. Para IV-B.1: Page 165 – Expenditure Beyond Permissible Limit – Public Health Engineering Division Mianwali – Rs.549,024

Audit had observed: “A division incurred 17% excessive expenditure against the permissible limit of 5% on technically sanctioned estimate without obtaining the revised technical sanction from the competent authority as required under Para 5.18 of Buildings &

Roads Code. This resulted in an irregular excess expenditure of Rs.549,024 in February 1989.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

65. Para IV-B.2: Pages 165-166 – Expenditure Beyond Permissible Limit – Public Health Engineering Division Mianwali – Rs.2,276,817

Audit had observed: “A division incurred expenditure beyond the permissible limit of 15% above administrative approval. This resulted in an unauthorized expenditure of Rs.2,276,817 in April 1982.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

66. Para IV-C.1: Page 166 – Expenditure Against Financial Rules – Public Health Engineering Division Toba Tek Singh – Rs.173,202

Audit had observed: “A division raised the height of the road embankment from 2’ to 5’ and reduced the quantities of surface drains which was against the provision of technical sanction/administrative approval and contract agreement. Further-more, incurring additional expenditure from the savings of surface drain was in contravention of codal requirements and instructions issued by the Finance Department of June 1991. This resulted in an irregular payment of Rs.173,202 in September 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

67. Para V-1: Page 167 – Un-Justified/Fictitious Payment/Adjustment – Public Health Engineering Division No.II Rawalpindi – Rs.654,194

Audit had observed: “A division made payment of Rs.654,194 to a sister division in June 1995 through a special cheque on account of cost of material/machinery which was not actually required for use on the respective scheme. This resulted in un-authorized utilization of funds and fictitious stock adjustment of Rs.654,194.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

68. Para V-2: Page 168 – Un-Justified/Fictitious Payment/Adjustment – Public Health Engineering Division No.II Rawalpindi – Rs.204,985

Audit had observed: “A division made payment for damaged work in contravention of the provision of clause 14 of the agreement which inter-alia provides that it was the obligation of the contractor to protect the work executed by him from damages. This resulted in unjustified payment of Rs.204,985 in May 1993.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Annexure Paras

1. Para II-3(86-87): Page 231 read with Sr.No.1 of Audit Report for the year 1995-96; Non-recovery – Rs.256,719

1-8-02: The Committee directed that the Department should comply with the directive of the PAC by 31 December 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The para was kept pending.**

2. Para III-7(86-87): Page 231 read with Sr.No.2 of Audit Report for the year 1995-96; Loss to Government – Rs.14,400.

1-8-02: On verification of recovery/record Audit had recommended that the above mentioned para be settled. **The PAC settled the para.**

Housing and Physical Planning Department

1. Para I-A.1: Page 172 – Higher Rates – Housing and Physical Planning Division Faisalabad – Rs.200,460

Audit had observed: “A division accepted and paid higher rate of Rs.65 per sft against the estimated

rate of Rs.35 sft adopted without any analysis. The payment was made for an enhanced quantity of 8636 sft against estimated quantity of 5552 sft without showing exact location of the work measured in the measurement book. This resulted in an excess payment of Rs.200,460 in June 1995.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para I-A.2: Pages 172-173 – Higher Rates – Housing and Physical Planning Division Multan – Rs.82,142

Audit had observed: “A division substituted 3” dia AC pipe ‘B’ class with P.V.C. ‘B’ class without deciding the rate to be paid for the substituted item. Furthermore, the substituted item was incorrectly paid at the tendered rate of original item instead of the Composite Schedule Rates 1979 as per clause 18 of the agreement. This resulted in an overpayment of Rs.82,142 in June 1980.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para I-A.3: Page 173 – Higher Rates – Housing and Physical Planning Division Dera Ghazi Khan – Rs.93,561

Audit had observed: “A division got executed and made payment for the non-schedule item of providing and fixing grill of certain specification at the rate of Rs.65 per sft without its provision in the sanctioned estimate and rate analysis approved by the Competent Authority. This resulted in an overpayment of Rs.93,561 to the contractor in 1991...The case was reported to the Administrative Secretary in March 1992 and also discussed in the Departmental Accounts Committee meetings held in June 1995 and 1996.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para I-B.1: Pages 173-174 – Minus Bill – Housing and Physical Planning Division Multan – Rs.74,193

Audit had observed: “A division recorded measurements for manhole covers and reinforced cement concrete (R.C.C.) pipe in excess of the actual work done at site. Resultantly, the bill of the contractor turned into minus figure in October 1985. The Department also failed to recover the amount that had been overpaid to the contractor during his running payments. This resulted in Non-recovery of Rs.74,193 due to overpayment...The case was reported to the Administrative Secretary in September 1987 and also discussed in the Departmental Accounts Committee meeting held in June 1996. It was decided to fix responsibility for overpayment and amount recovered but no progress was intimated.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para I-C.1: Page 174 – Excessive Quantities – Housing and Physical Planning Division Dera Ghazi Khan – Rs.57,100

Audit had observed: “A division made payment for earth work for making embankment to the extent of 561812 cft against 445280 cft provided on the basis of cross sections in the estimate technically sanctioned by the Competent Authority. This resulted in an excess payment of Rs.57,100 in November 1990...The case was reported to the Administrative Secretary in June 1992 and also discussed in the Departmental Accounts Committee meetings held in June 1995 and 1996. The Committee confirmed that excess was unauthorized and decided that recovery should be effected.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para II-1: Page 175 – Non-recovery of Government Dues – Housing and Physical Planning Division Multan – Rs.154,596

Audit had observed: “A division failed to recover the amount of secured advance outstanding against the contractors since 1986. This resulted in non-recovery of Rs.154,596 and consequent loss to Government...The case was reported to the Administrative Secretary in

September 1987 and also discussed in the Departmental Accounts Committee meeting held in June 1996.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

7. Para III-1: Page 176 – Loss to Government – Housing and Physical Planning Division Faisalabad – Rs.194,400

Audit had observed: “Delegation of Financial Powers Rules 1990 authorizes the officers of the Engineering Departments to accept tenders up to 4.5 per cent above the amount of technical sanction. A division accepted tender at 19.67% above the amount of technical estimate. The acceptance of higher rates resulted in a loss of Rs.194,400 to Government in June 1995.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para III-2: Pages 176-177 – Loss to Government – Housing and Physical Planning Division Dera Ghazi Khan – Rs.98,800

Audit had observed: “A division finalized the contract without obtaining and fixing four (4) 50 KV transformers from a contractor @ Rs.100 each as per tendered rate but afterwards got installed two (2) @ Rs.49,000 and Rs.50,000 each through two separate agreements. Non-provision and installation of the transformers from the original contractor resulted in a loss of Rs.98,800 to Government in October 1990...The case was reported to Administrative Secretary in July 1991 and also discussed in the Departmental Accounts Committee meeting held in June 1995 and 1996 but no appropriate action was taken by the controlling officers.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

9. Para IV-1: Pages 177-178 – Irregular/Unauthorized Expenditure – Housing and Physical Planning Division Faisalabad – Rs.406,317

Audit had observed: “A division provided exterior finish of an office building with cement pointing with red oxide pigment costing Rs.7,630 which was changed with weather shield

paint costing Rs.65,023 but later on the non-schedule item terrazzo wash was got executed involving Rs.561,340 which was 20% of the total cost of building. The un-authorized and un-justified change of specification of exterior finish resulted in an extra expenditure of Rs.406,317 in June 1995.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para IV-2: Page 178 – Irregular/Unauthorized Expenditure – Housing and Physical Planning Division Faisalabad – Rs.135,000

Audit had observed: “A division paid for providing & fixing of 900 PG clamp whereas no such provision was made in the technical estimate sanctioned by the Superintending Engineer. This resulted in an unauthorized expenditure of Rs.135,000 to the contractor in October 1992.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para IV-3: Pages 178-179 – Irregular/Unauthorized Expenditure – Housing and Physical Planning Division Multan – Rs.2,240,761

Audit had observed: “A division incurred expenditure in excess of the amount of estimate sanctioned technically. This resulted in an irregular expenditure of Rs.2,240,761 during 1984-85...The case was reported to the Administrative Secretary in June 1988 and also discussed in the Departmental Accounts Committee meeting held in June 1995 and 1996 but no action towards regularization was intimated.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

Annexure Paras

1. Para No.66(3)/81-82: Page 233 read with Sr.No.1 of Audit Report for the year 1995-

96; Shortage of Material – Rs.8,647.**2. Para No.65(3)/81-82: Page 233 read with Sr.No.2 of Audit Report for the year 1995-96; Non-recovery – Rs.32,625.****3. Para No.64(2)/81-82: Page 233 read with Sr.No.3 of Audit Report for the year 1995-96; Excess payment – Rs.33,052.****4. Para No.64(1)/81-82: Page 233 read with Sr.No.4 of Audit Report for the year 1995-96; Overpayment – Rs.35,836.****5. Para No.63(1)(81-82): Page 233 read with Sr.No.5 of Audit Report for the year 1995-96; Loss due to shortage of material – Rs.158,241.****6. Para No.64(4)(81-82): Page 234 read with Sr.No.6 of Audit Report for the year 1995-96; Overpayment – Rs.19,752.****7. Para No.64(5)81-82): Page 234 read with Sr.No.7 of Audit Report for the year 1995-96; Overpayment – Rs.10,612.****8. Para No.81-2(c)(82-83): Page 235 read with Sr.No.9 of Audit Report for the year 1995-96; Non-recovery – Rs.48,250.****9. Para No.81-2(a)(82-83): Page 235 read with Sr.No.10 of Audit Report for the year 1995-96; Non-recovery – Rs.42,640.****10. Para No.82(1)(82-83): Page 235 read with Sr.No.11 of Audit Report for the year 1995-96; Shortage of store – Rs.55,964.**

25-7-02: The Committee directed that the Department should comply with the directives of the PAC by 31 December 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The paras (Sr.No.1 to 10 above) were kept pending.**

11. Para No.65(2)(81-82): Page 234 read with Sr.No.8 of Audit Report for the year 1995-96; Loss to Government – Rs.41,031.

25-7-02: On the recommendation of the Audit, the para was settled.

Lahore Development Authority

1. Para I-1: Page 184 – Excessive Measurements – Deputy Director ADS-I – UD Wing – Rs.238,715

Audit had observed: “A division made payment for 265239 cft of earth work for making embankment @ Rs.1500 per % cft instead of the agreed rate of Rs.600 per % cft. This resulted in an overpayment of Rs.238,715 to the contractor in June 1995.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para I-2: Pages 184-185 – Excessive Measurements – Buildings Division-I –LDA UD Wing – Rs.176,103

Audit had observed: “A division measured and paid an item “extra for shuttering of waffle slab” without the provision in the technically sanctioned estimate and bid schedule. This resulted in an excess payment of Rs.176,103 to contractor in 1994.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para I-3: Page 185 – Excessive Measurements – Buildings Division-I – LDA UD Wing – Rs.68,634

Audit had observed: “A division made payment for premia of 140% above the Composite Schedule of Rates 1979 against the tendered premium of 80% for items of Public Health Engineering. This resulted in an overpayment of Rs.68,634 in 1994.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para II-A.1: Page 186 – Non-recovery of Aquifer Water, Sewerage Hire Charges – Deputy Director Revenue (West) WASA – Rs.9,476,062

Audit had observed: “A formation failed to recover charges on account of aquifer and sewerage outstanding against the consumers since long. This resulted in Non-recovery of Rs.9,476,062.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance

Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para II-A.2: Page 186 – Non-recovery of Aquifer Water, Sewerage Hire Charges – Deputy Director Revenue (Central) WASA – Rs.2,502,848

Audit had observed: “A formation failed to recover water and sewerage charges outstanding against various defaulting consumers. This resulted in non-recovery of Government dues amounting to Rs.2,502,848 during 1994-95.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para II-A.3: Pages 186-187 – Non-recovery of Aquifer Water, Sewerage Hire Charges – Deputy Director Revenue (West) WASA – Rs.2,416,333

Audit had observed: “A formation failed to recover water charges from the consumers. This resulted in non-recovery of Rs.2,416,333 of Government dues in January and May 1995.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para II-A.4: Page 187 – Non-recovery of Aquifer Water, Sewerage Hire Charges – Deputy Director Revenue (Central) WASA – Rs.1,106,639

Audit had observed: “A formation failed to recover water charges outstanding against various consumers since lone due to inefficient management of revenue collection. This resulted in non-recovery of Rs.1,106,639 of Government dues.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para II-A.5: Page 187 – Non-recovery of Aquifer Water, Sewerage Hire Charges – Deputy Director Plant LDA – Rs.673,117

Audit had observed: “A formation did not recover hire charges of plant let out on hire basis assuming no responsibility of the concerned formation to recover the same. This resulted in non-recovery of Rs.673,117 of Government dues in April and June 1995.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para II-A.6: Page 188 – Non-recovery of Aquifer Water, Sewerage Hire Charges – Deputy Director Revenue (South) WASA – Rs.633,978

Audit had observed: “A formation failed to recover water charges from the consumers outstanding since long. This resulted in non-recovery of Rs.633,978 of Government dues from July to October 1993.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para II-B.1: Page 188 – Secured Advance – Senior Construction Engineer-II WASA – Rs.608,755

Audit had observed: “A formation failed to recover secured advance from a defaulting contractor whose contract was subsequently rescinded. This resulted in non-recovery of Government dues of Rs.608,755 in July 1994.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para II-C.1: Pages 188-189 – Disconnection/Restoration Charges – Deputy Director Revenue (North) WASA – Rs.253,366

Audit had observed: “A division failed to recover the outstanding amount against the consumers on account of disconnection/restoration of water connection. This resulted in non-recovery of Rs.253,366 in May 1995.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para III-1: Page 189 – Loss to Government – Director P & S LDA WASA – Rs.230,000

Audit had observed: “A formation made payment for supply of change-over switch panel which was found defective within four months of its installation. Thus, the agency was put to a loss of Rs.230,000 in April 1995.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Annexure Paras

1. Para No.VI(85-86): Page 237 read with Sr.No.1 of Audit Report for the year 1995-96; Shortage of stores – Rs.27,253.

2. Para No.I-24(86-87): Page 237 read with Sr.No.2 of Audit Report for the year 1995-96; Excess payment – Rs.19,050.

3. Para No.IV-4(86-87): Page 237 read with Sr.No.4 of Audit Report for the year 1995-96; Loss to Government – Rs.162,860.

25-7-02: On verification of recovery/record, Audit had recommended that the above mentioned 3 paras (Sr. No.1 to 3 above) be settled. The PAC **settled the above paras.**

4. Para No.II(I)(86-87): Page 237 read with Sr.No.3 of Audit Report for the year 1995-96; Non-recovery – Rs.294,959.

25-7-02: The Committee directed that the Department should comply with the directive of the PAC by 31 December 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. The above mentioned **para was kept pending.**

Gujranwala Development Authority

1. Para I-1: Page 194 – Excess Payment to Contractor – Engineering Wing GDA – Rs.261,690

Audit had observed: “A formation allowed an incorrect rate of Rs.21.05 per cft for reinforced cement concrete (R.C.C.) precasted slabs instead of Rs.15.70 per cft. This resulted in an excess payment of Rs.261,690 in 1992.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para I-2: Page 194 – Excess Payment to Contractor – Engineering Wing GDA – Rs.143,937

Audit had observed: “A formation made payment for pacca brick work in 1:3 cement, sand mortar in sullage nullah @ Rs.852.10 per % cft instead of admissible rate of Rs.827.45 per % cft approved in PC-I & technically sanctioned estimate. This resulted in an overpayment of Rs.143,937 in April 1994.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para II-1: Page 195 – Non-recovery of Government Dues – Finance Wing GDA – Rs.15,000,000

Audit had observed: “A formation failed to recover statutory contribution from Municipal Corporation Gujranwala since 1990-91. This resulted in non-recovery of Rs.15,000,000 of Government

dues.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para II-2: Pages 195-196 – Non-recovery of Government Dues – Estate Management GDA – Rs.2,731,463

Audit had observed: “A formation did not recover the rent from the various tenants of a shopping plaza. This resulted in non-recovery of Rs.2,731,463 of Government dues up to June 1995.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para II-3: Page 196 – Non-recovery of Government Dues – Finance Wing GDA – Rs.2,472,200

Audit had observed: “A formation failed to recover/adjust temporary advance granted to various officers/officials since 1992 without mentioning any cogent needs/grounds for advance payments besides adjustment of previous ones. This resulted in non-recovery of Rs.2,472,200 of Government dues.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para II-4: Page 196 – Non-recovery of Government Dues – Estate Management GDA – Rs.1,911,854

Audit had observed: “A formation failed to recover capital value tax @ 5% from the various allottees of the shops as required under Finance Act 1989. This resulted in non-recovery of Rs.1,911,854 of Government dues.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para II-5: Page 197 – Non-recovery of Government Dues – Finance Wing GDA – Rs.540,900

Audit had observed: “A formation did not recover the cost of bitumen issued to various agencies/divisions. This resulted in non-recovery of Rs.540,900 of Government dues during 1991-92.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para III-1: Page 197 – Losses to Government – Estate Management GDA – Rs.1,414,900

Audit had observed: “A formation waived off amount of surcharge to be recovered @ Rs.10.5% per annum from the allottee of the shopping plaza. This resulted in a loss of Rs.1,414,900 to the authority in April 1995.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

9. Para IV-1: Page 198 – Un-authorized Expenditure – Finance Wing GDA – Rs.355,940

Audit had observed: “As per provisions of letter No.MTO(S&GAD)/LHY-242/93 of 3 March 1993 the repair/maintenance and P.O.L. charges of vehicles borrowed from the Authority are to be borne by the Services, General Administration and Information Department. A formation incurred expenditure of Rs.355,940 on POL and repair/maintenance of a vehicle lent to that Department. This resulted in an unauthorized expenditure of Rs.355,940 from January 1993 to October 1995.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para V-1: Page 198 – Irregular Drawal of Conveyance Allowance – Finance Wing GDA – Rs.119,900

Audit had observed: “A formation paid conveyance allowance to those officials to whom official vehicles were provided for pick and drop purposes from office to residence. This resulted in an irregular drawal of conveyance allowance of Rs.119,900.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Faisalabad Development Authority

1. Para I-1: Page 202 – Non-recovery of Government Dues – Director Estate Management FDA – Rs.921,873

Audit had observed: “A formation failed to recover the remaining/balance cost of plot from the allottees. This resulted in non-recovery of Rs.921,873 of Government dues in 1992...The matter was brought to the notice of the Administrative Secretary in January 1994 and also discussed in the Departmental Accounts Committee meeting held in December 1994 but no progress towards the balance recovery of Rs.921,873 has been intimated.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para I-2: Page 202 – Non-recovery of Government Dues – Deputy Director Construction-I DC-II WASA FDA – Rs.94,294

Audit had observed: “A division failed to recover the cost of dismantled brick soling to the extent of 95911 sft. This resulted in non-recovery of Rs.94,294 of Government dues in June 1992...The matter was reported to the Administrative Secretary in February 1993 and also discussed in the Departmental Accounts Committee meeting held in December 1994. The Department promised to effect the recovery but no progress towards recovery was intimated.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para I-3: Pages 202-203 – Non-recovery of Government Dues – Deputy Director Roads FDA – Rs.185,929

Audit had observed: “A division failed to recover the cost of 21.13 metric ton bitumen issued to a contractor in October 1991. This resulted in non-recovery of Rs.185,929 of Government dues...The matter was reported to the Administrative Secretary in January 1994 and also discussed in the Departmental Accounts Committee meeting held in June 1995. The recovery of Rs.97,980 on account of cost of 11.13 metric ton bitumen was verified but progress towards recovery of cost of balance 10.00 metric ton bitumen amounting to Rs.88,040 was not intimated.”

25-7-02: Pursuant to the decision of DAC meeting held in June 1995, **the Committee settled the para subject to the following direction -**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para II-1: Page 203 – Loss to Government – Director P&S WASA FDA – Rs.170,453,000

Audit had observed: “In a division agitators burnt stores of WASA in February 1989. The loss was neither reported to Audit as required under rules nor any departmental inquiry was conducted. This resulted in a loss of Rs.170,453,00 to Government...The matter was reported to the Administrative Secretary in July 1989 and also discussed in the Departmental Accounts Committee meeting held in April 1996.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

Annexure Paras

- 1. Para No.I-10(86-87): Page 239 read with Sr.No.1 of Audit Report for the year 1995-96; Non-recovery – Rs.11,367,768.**

25-7-02: The Committee directed that the Department should comply with the directive of the PAC by 31 December 2002 and report compliance to the Assembly Secretariat, Audit and

the Finance Department. The above mentioned para was **kept pending**.

Multan Development Authority

1. Para I-1: Page 208 – Non-recovery of Government Dues – Deputy Director O&M Division No.1 MDA – Rs.20,014,000

Audit had observed: “A division failed to recover water & sewerage charges from the consumers. This resulted in non-recovery of Rs.20,014,000 of Government dues during 1994-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para I-2: Page 208 – Non-recovery of Government Dues – Deputy Director O&M Division No.II WASA MDA – Rs.19,870,000

Audit had observed: “A division failed to recover water & sewerage charges from the consumers. This resulted in non-recovery of Rs.19,870,000 of Government dues during 1994-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para II-1: Page 209 Embezzlement of Cash – Deputy Director O&M Division No.II WASA MDA – Rs.620,875

Audit had observed: “In a division an official absconded from his duties along with the cash drawn for disbursement of salaries to the staff members. The authority neither reported the cash embezzlement/loss to Audit as required under rules nor to the Police authorities for investigation. This resulted in a loss of Rs.620,875 to authority in May 1995.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be

taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Industries and Mineral Development Department

Overview

Total Paras	Commercial
40	40

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 12	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	Commercial: 3(xii-xvii), 95, 100, 105, 109, 110, 116.	12
Paras Conditionally Settled 26	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months..	Commercial: 28, 29, 31, 32, 96, 97, 98, 99, 101, 102, 103, 104, 106, 107, 108, 111, 112, 113, 114, 115, 117, 118, 119, 120, 121, 122	26
Paras Pended 2	Paras pended with the direction that the SDAC shall consider the matter and submit its report for consideration by the Committee.	Commercial: 30, 33.	2

Discussed on 25 July 2002

Commercial Audit

1. Paras 3(xii to xvii): Page 6 – Non-compilation of Accounts

Punjab Government Printing Press, Bahawalpur.

1995-96

Provincial Government Printing Press, Lahore.

1995-96

Government Weaving and Finishing Centre, Shahdara, Lahore

1992-93

	1995-96
Government Wool Spinning and Weaving	1989-90
Development-cum-Training Centre, Jhang.	1995-96
Punjab Mineral Development Corporation, Lahore	1994-95
	1995-96
Punjab Small Industries Corporation, Lahore.	1995-96

25-7-02: The PAC noted the contents of the audit paras and directed that the Departments should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that accounts are compiled and submitted to Audit in time.

2. Para 28: Page 28 – Embezzlement of Rs.1.271 Million Due to Non-deposit of Sale Proceeds

Audit had observed: ‘In Coal Project Khushab a unit of Punjab Mineral Development Corporation M/s Mukhtar Ahmed Bhatti, Assistant Accountant and Nisar Ahmad Malik, Cashier misappropriated Rs.1,271,228 by non-depositing the sale proceeds in the project bank accounts during the period from July 1, 1992 to December 28, 1992. The embezzlement was noticed by the Project Management in the first week of February, 1993 and FIR was registered on March 21, 1993 with Anti Corruption Police, Khushab against the officials with the approval of the Managing Director of the Corporation. The case was under trial in the court of Anti Corruption Judge, Sargodha who got recovered a sum of Rs.616,000 up to May 1994 from the culprits but the amount so recovered was not deposited in the Corporation's account...Audit suggests the following actions:-

- (i) state the circumstances under which the post of Accountant was kept vacant at Khushab Project for a long period of about 2½ years;
- (ii) justify the failure in pursuing the court case.
- (iii) fix responsibility on the persons at fault and recover the mount long with interest accrued thereon;
- (iv) Strengthen the internal financial controls; and
- (v) Adopt strict remedial measures to prevent recurrence of such losses in future.’

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 29: Pages 28-29 – Doubtful Recovery of Rs.0.422 Million on Account of Credit Sales

Audit had observed: ‘The Punjab Mineral Development Corporation allowed credit sales of its products to the various parties without obtaining any security during the years 1980-81 to 1990-91 out of which Rs.422,451 could not be recovered till June 30 1994. In some cases the management filed civil suits against the parties which were decided in favour of Punjmin in 1992 but local

management did not make efforts to obtain decree for auction of the properties of the defaulting parties. As such the chances of recovery of Rs.422,451 have become remote besides the cost of the suit incurred...Audit would suggest the following:-

- (i) the circumstances under which amount was not recovered from the defaulting parties may be investigated;
- (ii) the outstanding amount may be recovered either from the parties or from the official found at fault at the earliest.
- (iii) the internal controls of the Corporation be strengthened; and
- (iv) preventive measures may be adopted.'

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para 30: Page 29 – Loss of Rs.4.505 Million Due to Droppage of Wahali Coal Project

Audit had observed: 'The Punjab Mineral Development Corporation obtained a license for exploration of coal over an area of 251.39 acre near Wahali village district Chakwal in 1987, on the basis of coal and therefore the project was assessed as viable. The Management drilled seven bore holes in the area to a considerable depth in five years from 1988 to 1993 under an approved PC-II Scheme but when mining operation did not bring fruitful results it was decided to wind up the project on September 21, 1993 as there was no hope of viability of the project. The Punjmin incurred an expenditure of Rs.5.772 million on the project up to the date of its winding up out of which Rs.1.267 million could be recovered in the shape of machinery and material, leaving a balance of Rs.4.505 million which has gone waste. The Corporation thus sustained a loss of Rs.4.505 million.'

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

5. Para 31: Page 30 – Irregular Payment of Rs.0.192 Million to Mr Ghulam Mustafa Manager, DMTC, Fortabbas

Audit had observed: ‘In Punjab Small Industries Corporation (R.O) Bahawalpur Mr Ghulam Mustafa was appointed as skilled worker in(B-8) on January 27 1980 and promoted as Foreman (B-11) on May 5, 1984. On May 5 1987 he was appointed in(B-16) and posted as Manager, DMTC, Fort Abbas without fulfilling the basic requirement of the post i.e. having postgraduate degree as the individual was only Matriculate. His other qualification/certificates are also seemed to be bogus as he passed his two years Mechanical Diploma in 1978 and one year theoretical and practical course of mechanical in 1979 while he passed his Matriculation Examination in 1986. As such his appointment as Manager (B-16) was irregular and payment of Pay and Allowances from May 1987 to October, 1992 amounting to Rs.191,745 was also thus inadmissible.’

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 32: Pages 30-31 – Loss of Rs.0.102 Million Due to Non-recovery of Loan From a Loanee

Audit had observed: ‘In Punjab Small Industries Corporation, Sheikhpura a loan of Rs.0.060 million was disbursed to a fictitious party on March 1, 1986 for establishing an Atta Chaki at Sheikhpura. Since then the party could not be traced out. The loan could not be recovered from the pledged property of the absconder loanee despite the lapse of a period of seven years. The Corporation had to sustain a loss of Rs.0.102 million including mark-up and administrative charges upto 28 February 1993. The loss is further likely to increase with the passage of time.’

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para 33: Page 31 – Blockage of Capital of Rs.33.3 Million Due to Non-utilization of the Land Purchased for Establishing SIE-III Gujranwala

Audit had observed: ‘Punjab Small Industries Corporation (RO) Gujranwala purchased 111 acres of land valuing Rs.33.300 million at the rate of Rs.3.00 lacs per acre in 1986 at GT Road Gujranwala to establish Small Industrial Estate-III. In February 1987 the Managing Director of PSIC proposed to the then Minister of Industries/Chairman PSIC that the purchased site is a rich agricultural land and that the same may be rented out for agricultural purposes till such time some final decision is taken about this site. The Minister approved the proposal and advised that it should be purely on temporary basis. The land was rented out on yearly rent of Rs.66,600 with effect from June 1987 to 8 June 1988. It was again rented out for another six months at the rate of Rs.350 per

acre. After that the land measuring 111 acre was lying vacant. Neither the land was rented out nor any development work was done. The land was purchased in 1986 for establishing Small Industrial Estate but the same was not utilized for the purpose for which it was procured. As such the amount of Rs.33.3 million has been unnecessarily blocked for indefinite period.’

25-7-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

8. Para 95: Pages 65-66 – Working Results of Punjab Industrial Development Board Lahore for the year 1995-96

25-7-02: The Committee **noted** the working results.

9. Para 96: Page 66 – Work-in-Progress Amounting to Rs.3.279 Million

Audit had observed: Capital work in progress amounting to Rs.3.279 million as on 30 June 1996 included the capital work in progress for Rs.2.514 million on incomplete project viz. Kamalia Paper Mills, Ferrite Project and Lahore Capacitor Project where no progress has been made in the current year. The reasons due to which the capital work could not be completed and materialized even after incurring heavy expenses of Rs.2.514 million need be investigated with a view to making recovery of the loss by fixing responsibility.’

25-7-02: Since the Board had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para 97: Page 66 – Purchase of Vehicles of Rs.1.897 Million

Audit had observed: ‘Vehicles of Rs.1.897 million were purchased during the year under review and caused increase in vehicle running expenses to the tune of Rs.1.099 million. Since the scope of work did not allow the increase in vehicles, justification for purchase of these vehicles keeping in view the already existing fleet of vehicles with the Board, may be provided.’

25-7-02: Since the Board had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para 98: Page 66 – Contingent Liability of Rs.565.556 Million

Audit had observed: ‘There is contingent liability of Rs.565.556 million on account of claim lodged by the financial institutions in respect of disinvested textile projects. The detail of these contingent liability and the present position of these claim need be provided.’

25-7-02: Since the Board had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para 99: Page 66 – Debited Amount of Rs.780,000 Without Disclosing the Nature and Detail of These Charges Through Notes to the Accounts

Audit had observed: ‘The Board debited an amount of Rs.780,000 being ‘other charges’ to Income and Expenditure Account for the year, 1995-96 without disclosing the nature and detail of these charges through Notes to the Accounts. The need for disclosure of nature and detail of these other charges through Notes to Accounts has already been emphasized on the management. The management may disclose the nature and detail of these other charges through Notes to Accounts.’

25-7-02: Since the Board had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 100: Pages 67-68 – Working Results of Kamalia Sugar Mills Limited, Kamalia for the year ended September 30, 1996

25-7-02: The Committee **noted** the working results.

14. Para 101: Page 68 – Penal Interest – Rs.3.471 Million, But the Same was not Accounted in the Books of Accounts

Audit had observed: ‘The Allied Bank Limited (note 4.3) while confirming the bank balance on September 30, 1996 reported that the penal interest of Rs.3.471 million was payable by the company but the same was not accounted for by the management in the books of accounts. If this penal interest is accounted for the profit of the Mills will decrease to that extent. Non accountal of penal interest of Rs.3.471 million needs to be justified.’

25-7-02: Since the Mill had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

15. Para 102: Page 68 – Balance of Interest – Free Long Term Loans to Employees at Rs.3.070 Million

Audit had observed: 'The balance of interest free long term loans to employees stood at Rs.3.070 million as on September 30, 1996 as against Rs.2.967 million as on September 30, 1995 (note-9) whereas the company is paying interest @ 12% on the loans obtained from the financial institutions. The granting of interest free loans to the employees is against the financial prudence which needs to be justified.'

25-7-02: Since the Mill had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

16. Para 103: Page 68 – Blockage of Funds – Need to be Justified of Rs.111.402

Audit had observed: 'Stock-in-trade included Sugar and Molasses which increased from Rs.111.402 million on 30 September 1995 to Rs.150.675 million on 30 September 1996 registering an increase of 35.25% over the previous year. The increase in stock of sugar and molasses which resulted into blockage of funds needs to be justified.'

25-7-02: Since the Mill had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

17. Para 104: Page 68 – Export Expenses Amounting to Rs.187.195 Without Export Sales

Audit had observed: 'The selling expenses of an amount of Rs.187,195 was shown as export expenses whereas no export sales were made by the Mills in 1995-96. The export expenses without export sales needs to be explained.'

25-7-02: Since the Mill had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

18. Para 105: Pages 69-70 – Working Results of Pattoki Sugar Mills Limited, Pattoki for the year ended September 30, 1996

25-7-02: The Committee **noted** the working results.

19. Para 106: Page 70 – Quantity of Cane Crushed Decreased From 568.078 M.Ton in 1994-

95 to 451,241 M.Ton in the Year 1995-96

Audit had observed: 'The quantity of cane crushed decreased from 568.078 m. ton in 1994-95 to 451,241 m. ton in the year 1995-96. Although the cane crushed registered 20.56% decrease over previous year yet the transportation charges increased to Rs.19.858 million in the year 1995-96 as against Rs.8.490 million in the previous year which registered increase of 133.90% over preceding year. The abnormal increase in transportation charges when the quantity of cane crushed decreased may be justified.'

25-7-02: Since the Mill had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

20. Para 107: Page 70 – Non-recovery of Loans – Rs.1.028 Million From the Growers

Audit had observed: 'Loan to growers stood at Rs.1.028 million as on 30 September 1996. These loans represented the unrecovered balances of agricultural loans made by the banks on the guarantee of the Mills. Early efforts need be made for immediate recovery of the outstanding loans. The year-wise statement of outstanding loan may be prepared and produced to Audit.'

25-7-02: Since the Mill had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

21. Para 108: Page 70 – Approval of Board of Director for Approving he Accounts For the Year 1995-96 May be Obtained

Audit had observed: 'The approval of Board of Directors for approving the Accounts for the year 1995-96 may be intimated and copy of the same produced to Audit.'

25-7-02: Since the Mill had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

22. Para 109: Page 71 – Working Results of Punjab Mineral Development Corporation for the years 1992-93 and 1993-94

25-7-02: The Committee **noted** the working results.

23. Para 110: Page 71 – Operating Expenses of the Corporation Increased 8.55% in 1992-93

Audit had observed: ‘The operating expenses of the Corporation increased by 8.55% in 1992-93 as compared to 1991-92 and 23.24% in 1993-94 as compared to 1992-93. The increase in operating expenses in 1993-94 as compared to previous year 1992-93 was mainly due to increase in salaries and allowances by 42.73% traveling and conveyance by 22.74% and entertainment by 45.31%. The Management may exercise proper financial control over the management expenses.’

25-7-02: The Committee **noted** Audit comments on the working results.

24. Para 111: Page 72 – Advances to Contractors – (Rs.102,500) Need to be Elucidated

Audit had observed: ‘Included in capital work in progress there was advance to contractors Rs.102,500 outstanding since 1991-92. Nature of the advance along with reasons of non adjustment in the previous three years need to be elucidated.’

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

25. Para 112: Page 72 – Trade Debtors Increased From Rs.15.938 Million on June 30, 1992 to Rs.18.500 Million on June 30, 1993

Audit had observed: ‘Trade debtors (unconfirmed) increased from Rs.15.938 million as on June 30 1992 to Rs.18.500 million as on June 30 1993 which further increased to Rs.29.014 million as on June 30 1994. Out of this Rs.10.811 million were recoverable from the Pakistan Steel Mills Corporation. In the absence of year-wise analysis of trade debts the prospects of their recovery could not be judged. Preparation of year-wise analysis of the debts is stressed upon the management.’

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and

the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

26. Para 113: Page 72 – Stocks of Coal Stood at Rs.2.815 Million on June 30, 1994 Against Rs.0.474 Million on June 30, 1993

Audit had observed: ‘Stocks of coal stood at Rs.2.815 million as on June 30 1994 against Rs.0.474 million as on June 30 1993 (Note-7). The coal decreases its potentiality with the passage of time which consequently decreases its sale price, as such piling of coal stock is not justified.’

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

27. Para 114: Page 72 – Embezzlement of Rs.0.621 Million

Audit had observed: ‘Advances, deposits, prepayments and other receivables included Rs.0.621 million embezzlement of cash by the cashier and Assistant Accountant of Khushab Project. The case is in the court of law. Early finalization of the case and recovery thereof is stressed upon the management.’

25-7-02: **The Committee settled the para with the direction** that subject to the decision of the court, the recovery shall be effected and disciplinary action taken. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

28. Para 115: Page 72 – Necessity of Reconciliation of Rs.56.461 Million

Audit had observed: ‘Inter Project receivables and payables Rs.56.461 million as on June 30, 1994 were not reconciled with the respective projects. Necessity of reconciliation with the projects concerned is stressed.’

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

29. Para 116: Pages 73-74 – Working Results of Punjab Small Industries Corporation for the year 1994-95

25-7-02: The Committee **noted** the working results.

30. Para 117: Page 74 – Blockage of Funds – Rs.21.611 Million

Audit had observed: ‘The stocks of finished stock increased to Rs.21.611 million on 30 June 1995 as against the stocks of Rs.21.038 million on 30 June 1994. the accumulation of finished stocks was 79.12% of the level maintained at 30 June 1991. The ever increasing trend in finished stock was also brought to the notice of management in earlier compilation, but no action towards the clearance/sale of the finished goods was taken. Since the Corporation generally deals in the manufacturing/trading of fashion product in Carpets, Handicrafts, etc. the accumulation of finished stock years to years is indicative of the fact that these finished goods lost their marketability with the passage of time. Early sale of these finished goods is again stressed upon the management so as to relieve the Corporation of heavy financial burden on blockage of funds in these goods.’

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

31. Para 118: Page 74 – Need For Preparation of Analysis of Debtors of Rs.7.082 Million

Audit had observed: ‘The sundry debtors increased to Rs.7.082 million on 30 June 1995 as against Rs.6.522 million in the previous year. As already pointed out in previous years Audit comments, no year-wise analysis report of debtors was prepared by the management this year as such the position of recoverability of debts could not be ascertained. The need for preparation of year-wise analysis of debtors is again stress upon the management.’

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

32. Para 119: Page 74 – Funds Disbursed to the Loanees/Projects Need be Worked Out

Audit had observed: ‘The Corporation with regards to the loan fund and loan had the liabilities as on 30 June 1995 and 1994...The liabilities represented the investment/loan made by the Government and other agencies for disbursement of loan under various scheme i.e. RIP;, RILF, SES, special programmes and projects etc. The economical operation of Corporation’s Loan Portfolio could not ascertained for the reason that Accounts did not reflect the cost of funds disbursed to various Loanees/Projects, nor the income earned therefrom was distinctly available. The cost of funds disbursed to the loanees/Projects need be worked out and income earned there from distinctly shown in the financial statements of the Corporation to evaluate the loaning activities of the Corporation.’

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

33. Para 120: Page 75 – Accounts of the Corporation for the Year Under Review

Audit had observed: ‘The accounts of the Corporation for the year under review consists of only three statements viz. Balance Sheet, Income and Expenditure Account and Schedule of Fixed Assets. The external Auditors certified these accounts subject to the separate reports of external Auditors on Individual Regions Projects, Estates and Loan Scheme. These reports form part of these consolidated accounts and consequently were called for in Audit but the same were not produced to Audit for examination of consolidated accounts and preparation of meaningful Audit comments. The consolidated accounts also do not contain the usual notes containing detail and explaining the nature of figures appearing in the financial statements. The accounting policies of the Corporation relating to depreciation, valuation and finished goods, and closing balances and basis of treating income on accrual or actual are not forthcoming from the accounts. These accounts are therefore, least informative for the reader of the accounts. The need for preparation of Notes to the accounts on the pattern followed by provincial Corporation viz PIDB and Punjmin etc. is again stressed, and Certified Accounts contain maximum information for the reader to evaluate the financial state of affairs of the Corporation.’

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

34. Para 121: Page 75 – Accounts May be Got Approved by the Directors

Audit had observed: ‘The accounts under review were not approved by the Board of directors of the Corporation. The accounts may be got approved by the Board of Directors.’

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

35. Para 122: Page 75 – Recovery of Loans are Slow and is not According to the Schedule

Audit had observed: ‘As per report of external Auditors, the recovery of loans is slow and is not according to the schedule. The pace of recovery need be accelerated to avoid the debts turning into bad debt with the passage of time.’

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Irrigation & Power Department

Overview

Total Paras	Works	Commercial	Revenue Receipts
111	105	4	2

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.	Commercial: 1(xviii), 4, 5, 38.	4
		Revenue Receipt: Chapter-8	1
Paras Finally Settled 2	Paras finally settled as the requisite action had been taken.	Works: II-D.2.	1
		Annexure Para: 14(I)	1
Paras Conditionally Settled 80	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months..	Works: I-A.1, I-A.2, I-A.3, I-A.4, I-A.7, I-B.1, I-B.2, I-B.3, I-B.4, I-B.7, I-B.8, I-C.2, I-C.3, I-C.4, I-C.5, I-C.6, I-D.1, I-D.2, I-D.3, I-D.4, I-E.1, I-E.2, I-E.3, I-E.4, I-F.1, I-F.2, I-F.3, I-G.1, I-G.2, II-A.1, II-A.4, II-B.2, II-B.3, II-B.4, II-C.3, II-D.1, III-A.1, III-A.2, III-A.3, III-A.4, III-A.5, III-A.7, III-A.8, III-A.9, III-A.10, III-A.11, III-B.1, III-B.2, III-B.3, III-B.4, III-B.5, III-C.1, III-C.2, III-C.3, III-C.4, III-D.1, III-D.2, III-D.3, III-E.1, III-E.2, III-F.1, IV-A.1, IV-A.2, IV-A.3, IV-B.1, IV-B.2, IV-E.1, IV-F.1, V-A.1, V-A.2, V-B.1, V-B.2, V-C.1, V-C.2, V-D.1, V-E.1, VI-A.1, VI-A.2, VI-A.3, VI-B.1.	80
Paras Pended 24	Paras pended with the direction that the SDAC shall consider the matter and submit its report for consideration by the Committee or the working papers shall be submitted for consideration.	Works: I-A.5, I-A.6, I-A.8, I-B.5, I-B.6, I-C.1, II-A.2, II-A.3, II-B.1, II-C.1, II-C.2, II-E.1, III-A.6, III-G.1, IV-C.1, IV-D.1.	16
		Annexure Paras: 17(a) 26(I), 60, III-1 (7), II-6, I-1, II-18, III(i)-17.	7
		Revenue Receipts: Chapter-7 (A)(B).	

Discussed on 1 August 2002

Works Audit

1. Para I-A.1: Page 76 – Payment of Excessive Quantities – Upper Jhelum Canal Division, Jhelum – Rs.162,254

Audit had observed: “A division measured and paid for formation, dressing and preparing sub-grade on slops for stone pitching. Besides paid a quantity of 320995 cft for earth work making embankment against the provision of 101750 cft made in technically sanctioned estimate without approval of the Competent Authority. Separate payment for formation, dressing was not admissible because the cost of laying sub-grade was included in the rate for laying stone pitching as per specification No.22.14(11) of P.W.D. Specifications for Execution of Works 1967. Furthermore, cost of earth work paid was for dressing up to the designed section. This resulted in an excess payment of Rs.162,254 (97,722+64,532) in January 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para I-A.2: Pages 76-77 – Payment of Excessive Quantities – Drainage Division Lahore – Rs.103,743

Audit had observed: “A division made payment for 177269 cft stone on account of filling in crates and dumped without boat, but the quantity of stone available as per material at site account and brought from stock register works out to 74541 cft. Thus, 102678 cft of stone was paid in excess. This resulted in an excess payment of Rs.103,743 in April 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para I-A.3: Page 77 – Payment of Excessive Quantities – Lower Bari Doab Canal Division Sahiwal – Rs.86,171

Audit had observed: “According to the provisions of rate analysis of items No.15 & 19(1) Page 132 of Composite Schedule of Rates 1979, approved by the Standing Rates Committee, 110 cft loose stone was required for 100 cft of completed/finished item of work. Contrary to that a division measured and paid full quantity of carted stone of 223253 cft for supplying and filling in wire crates without applying the reduction factor of 100/110. Furthermore, consumption of 4309 cft of stone was not forthcoming from the record. This resulted in an overpayment of Rs.86,171 in June 1993.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para I-A.4: Pages 77-78 – Payment of Excessive Quantities – Trimmu Headworks Division Trimmu – Rs.475,514

Audit had observed: “A division measured and paid for 368387 cft of stone dumping with boat whereas the dumping of stone was to be made without boat as provided in the detailed technical estimate sanctioned by the Competent Authority. Thus extra payment for boat and its anchoring was made to the contractor. This resulted in an excess payment of Rs.475,514 in December 1995.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para I-A.5: Page 78 – Payment of Excessive Quantities – Shujabad Canal Division Multan – Rs.296,558

Audit had observed: “According to the rate analysis of item 29(a) page 134 of Composite Schedule of Rates 1979, approved by the Standing Rates Committee, 125 cft loose stone was required for 100 cft of finished stone pitching. Contrary to that a division measured and paid for stone pitching on slopes and level either by applying conversion factor of 100/110 or without applying conversion factor. This resulted in an overpayment of Rs.296,558 in January, March and September 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

6. Para I-A.6: Pages 78-79 – Payment of Excessive Quantities – Shujabad Canal Division Multan – Rs.186,545

Audit had observed: “The rate analysis of item 15(a) page 132 of Composite Schedule of Rates 1979, approved by the Standing Rates Committee, provided that 110 cft of loose stone would be required for 100 cft of finished item of work. Contrary to that a division measured and paid a quantity of 484313 cft stone for dumping of stone without applying conversion factor of 100/110 as per rate analysis. This resulted in an overpayment of Rs.186,545 to the contractor in March 1994 and September 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

7. Para I-A.7: Page 79 – Payment of Excessive Quantities – Kot Adu Canal Division Kot Adu – Rs.172,255

Audit had observed: “A division measured and paid 47305 trangers having filling capacity of 9 cft stone for filling 387041 cft stone instead of 43004 trangers. Thus 4301 trangers were excess paid. This resulted in an excess payment of Rs.172,255 in June 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para I-A.8: Pages 79-80 – Payment of Excessive Quantities – Muzaffargarh Canal Division Muzaffargarh – Rs.224,989

Audit had observed: “According to the rate analysis approved by the Standing Rates Committee for the item of work “supply & dumping of stone etc”, 110 cft of loose stone was to be measured and paid for 100 cft of finished item of work vide item 15 page 132 of Composite Schedule of Rates 1979. A division measured

and paid 2585779 cft of stone in three cases without applying deduction factor of 100/110 cft as per rate analysis. This resulted in an excess payment of Rs.224,989 to the contractors.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

9. Para I-B.1: Page 80 – Payment of Excessive Lead – Upper Jhelum Canal Division Gujrat – Rs.163,102

Audit had observed: “A division measured and paid a lead of 137 miles for carriage of stone instead of admissible lead of 128 miles provided in the bill of quantities/contract agreement. This resulted in an overpayment of Rs.163,102 to the contractor in April & May 1991.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para I-B.2: Pages 80-81 – Payment of Excessive Lead – Upper Jhelum Canal Division Gujrat – Rs.151,213

Audit had observed: “A division measured and paid cross carriage with one mile lead for a quantity of 288574 cft stone/spawl from stack to the site of work instead of admissible lead of 6 chains as per bill of quantities. This resulted in an overpayment of Rs.151,213 to the contractors in April and May 1991.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para I-B.3: Page 81 – Payment of Excessive Lead – ISRP – 1 Division Lahore – Rs.159,113

Audit had observed: “A division measured and paid an item excavation of shingle and gravel with 5 mile lead in plain area without its provision in the bid schedule and technically sanctioned estimate instead of earth

work excavation in irrigation channel. This resulted in an overpayment of Rs.159,113 in January 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para I-B.4: Pages 81-82 – Payment of Excessive Lead – Drainage Division Faisalabad – Rs.280,383

Audit had observed: “A division measured and paid earth work excavation from outside borrowpit with 2 miles lead against the admissible lead of 100 feet as per approved DNIT. This resulted in an excess payment of Rs.280,383 in January 1992.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para I-B.5: Page 82 – Payment of Excessive Lead – Lower Doab Canal Division Sahiwal – Rs.583,699

Audit had observed: “A division measured and paid a quantity of 610693 cft of earth work borrowpit with 3 miles lead @ Rs.526 per %o cft instead of a quantity of 413000 cft with 200 feet lead @ Rs.126 per % cft as provided in the estimate and bill of quantities. This resulted in an excess payment of Rs.583,699 in September 1994.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

14. Para I-B.6: Page 82 – Payment of Excessive Lead – Kot Adu Canal Division Kot Adu – Rs.796,485

Audit had observed: “A division measured and paid 632196 cft earth work with one mile lead instead of 600 feet as provided in the agreement. This resulted in an excess payment of Rs.796,485 to the contractor in December 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration

by the PAC.

15. Para I-B.7: Page 83 – Payment of Excessive Lead – Muzaffargarh Canal Division Muzaffargarh – Rs.104,881

Audit had observed: “A division paid carriage of stone with 2 miles lead against the sanctioned lead of one mile. This resulted in an overpayment of Rs.104,881 in December 1995...The matter was also reported to the Administrative Secretary in April 1996 but no reply was received.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

16. Para I-B.8: Page 83 – Payment of Excessive Lead – Muzaffargarh Canal Division Muzaffargarh – Rs.74,107

Audit had observed: “A division made payment for an earth work excavation outside borrowpit with a lead of 3½ miles for a quantity of 857886 cft against the admissible quantity of 807855 cft as provided in detailed technically sanctioned estimate while the quantity of earth work with a lead of 500’ was reduced. This resulted in an excess payment of Rs.74,107.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

17. Para I-C.1: Page 84 – Payment at Higher Rates – Upper Jhelum Canal Division Jhelum – Rs.2,071,686

Audit had observed: “A division paid earth work for making embankment with a lead of ¼ mile to 2½ miles @ Rs.467, Rs.477.90, Rs.507.90, Rs.659.40 and Rs.689.40 per % cft against the approved and agreed rate of Rs.419.15 per % cft plus 265% premium thereon. The Payment made at enhanced rate was against the provision of PC-I, bid schedule and acceptance letter/agreement. This resulted in an excess payment of Rs.2,071,686 in January 1995 and August 1995.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

18. Para I-C.2: Page 84 – Payment at Higher Rates – Chenab Bari Doab Canal Division Lahore – Rs.90,634

Audit had observed: “A division paid excessive rates of earth work excavation in various cases than that of Rs.260.40 per % cft as sanctioned by the Competent Authority. This resulted in an excess payment of Rs.90,634 to the contractors from April to May 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

19. Para I-C.3: Page 85 – Payment at Higher Rates – Kasur Division DCC Kasur – Rs.114,515

Audit had observed: “A division paid a rate of Rs.61 per % cft computed for a density of 95% compaction of earth work instead of the admissible rate of Rs.52.65 per 50% cft for 82% density of compaction actually achieved at site of work according to approved design by the consultants. This resulted in an overpayment of Rs.114,515 to the contractor in December 1990.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

20. Para I-C.4: Page 85 – Payment at Higher Rates – Irrigation Division Kasur – Rs.4,956.50

Audit had observed: “A division made payment for a non-schedule item i.e. cluster (group of trees and jute bags filled of earth) at the rate of Rs.5,260 each which was higher than the approved non-schedule rate of Rs.4,956.50. This resulted in an overpayment of Rs.109,800 in September 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

21. Para I-C.5: Pages 85-86 – Payment at Higher Rates – Sadiqia Canal Division Bahawalnagar – Rs.107,196

Audit had observed: “In a division rate for compaction of earth work was paid @ Rs.61 per % cft instead at the rate of Rs.56.78 (20.90 + 35.88) per % cft admissible for 85% density test. This resulted in an overpayment of Rs.107,196 in August 1992.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

22. Para I-C.6: Page 86 – Payment at Higher Rates – ISRP Division-II Bahawalpur – Rs.175,189

Audit had observed: “A division made payment @ Rs.21.05 instead of permissible rate of Rs.15.70 per cft for reinforced cement concrete (R.C.C.) 1:2:4 slabs where horizontal shuttering was not involved. This resulted in an excess payment of Rs.175,189 in 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

23. Para I-D.1: Pages 86-87 – Payment of Extra Carriage – River Survey Division Lahore – Rs.977,459

Audit had observed: “A division allowed extra/short carriage of stone for 1146060 cft just to give undue benefit to the contractor of higher rates of initial state. This resulted in an excess payment of Rs.977,459 to the contractor in 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

24. Para I-D.2: Page 87 – Payment of Extra Carriage – Trimmu Headworks Division Trimmu – Rs.2,108,684

Audit had observed: “A division allowed extra carriage from one to three miles in addition to the carriage of stone from quarry to stack just to give undue benefit to the contractor for higher

rates of initial mileage. This resulted in an excess payment of Rs.2,108,684 in January, March and December 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

25. Para I-D.3: Page 88 – Payment of Extra Carriage – Shujabad Canal Division Multan – Rs.214,242

Audit had observed: “A division allowed extra/short carriage of stone from stack to site of works just to give undue benefit to the contractor of higher rates of initial chains. This resulted in an overpayment of Rs.214,242 to the contractors in March 1994, January and September 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

26. Para I-D.4: Page 88 – Payment of Extra Carriage –Kot Adu Canal Division Kot Adu – Rs.182,081

Audit had observed: “A division measured and paid carriage for 853611 cft stone instead of carriage of 815651 cft computed on the basis of conversion formula approved by the standing Rates Committee in the analysis of rate for the items of work involved. This resulted in an excess payment of Rs.182,081 in August 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

27. Para I-E.1: Page 89 – Non-deduction of Available Earth – Upper Jhelum Canal Division Jhelum – Rs.105,505

Audit had observed: “A division failed to deduct available earth from the quantity of earth brought from outside sources. This resulted in an excess payment of Rs.105,505 in June 1994.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

28. Para I-E.2: Page 89 – Non-deduction of Available Earth – Chenab Bari Doab Canal Division Lahore – Rs.71,100

Audit had observed: “A division failed to utilize/deduct available earth from the earth brought from outside. This resulted in an excess payment of Rs.71,100 to a contractor in August 1994.’

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

29. Para I-E.3: Pages 89-90 – Non-deduction of Available Earth – Kasur Division D.C.C. Kasur – Rs.119,902

Audit had observed: “A division failed to deduct/adjust the available earth from the earth brought from outside. This resulted in an excess payment of Rs.119.902 in April 1994.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

30. Para I-E.4: Page 90 – Non-deduction of Available Earth – Muzaffargarh Canal Division Muzaffargarh – Rs.342,973

Audit had observed: “A division made payment for 721998 cft & 476981 cft earth work on bank of a canal with a lead of 300 feet and 100 feet respectively but failed to utilize 4692732 cft earth obtained from excavation of bed of the same canal. This available earth could have been utilized on banks excavated because contents of soil were of an ordinary soil as declared by the consultants. This resulted in an excess payment of Rs.342,973 to the contractors.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

31. Para I-F.1: Pages 90-91 – Excessive Measurements – Upper Jhelum Canal Division Gujrat – Rs.174,310

Audit had observed: “Composite Schedule of Rates 1979 provided vide Para 3 under Chapter Lining of Canals that nominal dimensions of tile or brick should be taken for the purpose of measurement and payment. To the contrary a division measured and paid thickness of 0.4 foot of bricks instead of the admissible thickness of 0.375 foot. This resulted in an excess payment of Rs.174,310 in May 1992.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

32. Para I-F.2: Page 91 – Excessive Measurements – Drainage Division Lahore – Rs.525,107

Audit had observed: “A division made payment for three hundred and seven (307) trees to the Forest Department required to be launched for the protection of Shahdara Flood Protection Bund. But five hundred and thirty six (536) trees for loading/unloading and launching were measured and paid. Payment made for two hundred and twenty nine (229) trees was, therefore, on fake record measurements. This resulted in an excess payment of Rs.525,107 in September 1993.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

33. Para I-F.3: Page 91 – Excessive Measurements – Kasur Division D.C.C. Kasur – Rs.51,689

Audit had observed: “A division recorded excessive measurement for 11154 cft and paid accordingly the item of work cement plaster 1.5” thick 1:6 on slopes against the provision of estimate and specification for lining of canal. This resulted in an excess payment of Rs.51,689 in April 1995.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter and effect recovery, if any. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

34. Para I-G.1: Page 92 – Non-deduction of Shrinkage – Trimmu Headworks Division Trimmu – Rs.151,535

Audit had observed: “A division paid for earth work on the basis of bank measurement without deducting 10% shrinkage allowance. This resulted in an overpayment of Rs.151,535 in August and September 1994.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

35. Para I-G.2: Pages 92-93 – Non-deduction of Shrinkage – Mailsi Syphon Division Thingi – Rs.57,677

Audit had observed: “Composite Schedule of Rates 1979 Provided vide note at page-25 that deduction (shrinkage) ranging between 3% to 6% should be agreed to with the contractors before the earth work is let out to be done by tractors, scrapers etc. A division did not agree to any percentage of deduction for earth work before its letting out but made a deduction of 3% for work done by machinery. The deduction at the minimum rate was not justified in the absence of an agreed percentage before letting out the work but should have been made at 6%, the maximum limit provided in Composite Schedule of Rates 1979. This resulted in an excess payment of Rs.57,677 in 1990.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

36. Para II-A.1: Page 93-94 – Outstanding Government Dues – Chenab Bari Doab Canal Division Lahore – Rs.143,600

Audit had observed: “A division made advance payment to a sister division for silt clearance and removal of slush in February 1991 but neither the work was done nor the amount was got refunded. This resulted in non-recovery of Rs.143,600 of Government dues.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

37. Para II-A.2: Page 94 – Outstanding Government Dues –Kasur Irrigation Division Kasur – Rs.1,415,749

Audit had observed: “A division neither obtained the vouched account from two Sub-Divisional Officers and placed the amount in “Misc. P.W. Advances” in April 1991 and July 1992 nor recovered/adjusted the said amount from them inspite of lapse of a period more than four years. This resulted in non-recovery of Government money amounting to Rs.1,415,749.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

38. Para II-A.3: Page 94 – Outstanding Government Dues – Lower Bari Doab Canal Division Sahiwal – Rs.1,109,271

Audit had observed: “A division made advance payment for supply of stone during 1994, but neither the supply of stone was obtained nor the amount was got refunded. This resulted in non-recovery of Rs.1,109,271 from March to August 1994.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

39. Para II-A.4: Page 95 – Outstanding Government Dues – Lower Bari Doab Canal Division Khanewal – Rs.106,452

Audit had observed: “A division placed an amount of Rs.106,452 in “Misc: P.W. Advances” recoverable from Sub-Divisional Officer Chichawatni due to non-submission of the account of utilization of cash balance at the time of transfer of sub-division to another sister division. This resulted in non-recovery of Rs.106,452 in March 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

40. Para II-B.1: Pages 95-96 – Non-Recovery of Cost of Material – Tubewell Operation

Division Lahore – Rs.1,271,187

Audit had observed: “In a division seventeen (17) transformers costing Rs.1,271,187 were taken away by the WAPDA which were procured from WAPDA after paying their cost and were the property of the Irrigation Department. Neither the said transformers nor the cost thereof was collected back from WAPDA. The resulted in non-recovery of Rs 1,271,187.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

41. Para II-B.2: Page 96 – Non-Recovery of Cost of Material – Directorate of Land Reclamation Lahore – Rs.855,375

Audit has observed: “A directorate failed to recover outstanding amounts against various tenants on account of produce of various crops for the period 1990-91 to 1994-95. This resulted in non-recovery of Rs.855,375 of Government dues.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

42. Para II-B.3: Pages 96-97 – Non-recovery of Cost of Material – Lower Bari Doab Canal Division Balloki – Loss of Rs.200,000

Audit has observed: “A division firstly failed to recover the costed scrap wood from a contractor and later on failed to dispose of said scrape wood against the highest bid of Rs.200,000 through public auction. This resulted in a loss of Rs.200,000 to Government.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

43. Para II-B.4: Page 97 – Non-recovery of Cost of Material – Muzaffargarh Canal Division Muzaffargarh – Rs.98,080

Audit had observed: “A division dismantled 2673 cft of reinforced cement concrete (R.C.C.) 1:2:4 but cost of the dismantled steel bars was not recovered. This resulted in non- recovery of

Rs.98,080 in 1993.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

44. Para II-C.1: Page 97 – Water And Rental Charges – Small Dams Division Islamabad – Rs.317,526,265

Audit had observed: “A division did not recover cost of raw water sold to Public Health Engineering/Capital Development Authority from 1967-68 to October 1994. This resulted in non-recovery of Rs.317,526,265 of Government dues.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

45. Para II-C.2: Page 98 – Water And Rental Charges – Chenab Bari Doab Canal Division Lahore – Rs.707,460

Audit had observed: “A division failed to recover rental charges of rest house suites from the various Members of Provincial Assembly (M.P.As) during the period from 1992-93 to 1993-94. This resulted in non-recovery of Government dues amounting to Rs.707,460.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

46. Para II-C.3: Page 98 – Water And Rental Charges – Summundri Drainage Division Faisalabad – Rs.360,000

Audit had observed: “A division failed to recovery effluent water charges @ Rs.7,500 per year for use of drains by various factories. This resulted in non-recovery of Government dues amounting to Rs.360,000 in 1993 & 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

47. Para II-D.1: Page 99 – Professional and Income Tax – Muzaffargarh Canal Division Muzaffargarh – Rs.127,602

Audit had observed: “A division deducted 3% income tax on Rs.3,500,000 instead of total value of work done amounting to Rs.7,753,409. This resulted in less recovery of Government revenues amounting to Rs.127,602 in November 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

48. Para II-D.2: Pages 99-100 – Professional and Income Tax – (i) I S R P Division Bahawalpur (ii) I S R P Division Dera Ghazi Khan – Rs.56,000

Audit had observed: “The divisions failed to recover professional tax for the year 1991-92 and 1992-93 from the contractors as required under section 3 of the Punjab Finance Act 1977. This resulted in non-recovery of Government dues amounting to Rs.56,000.”

1-8-02: The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Departments to have deducted the same at source. **The para was settled.**

49. Para II-E.1: Page 100- Embezzlement – Chenab Bari Doab Canal Division Lahore – Non-Recovery of Rs.2,686,851

Audit had observed: “A division made certain payments under the bogus signature of the Divisional Officer concerned and resultantly placed the said amount in the “Misc.P.W.Advances” as recoverable from the Sub-Divisional Officers who mad such payments. This resulted in bogus payments and non-recovery of Government dues amounting to Rs.2,686,851 in April 1994.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

50. Para III-A.1: Page 101 – Misappropriation/Non-Accountal of Material -Chakbandi

Division Lahore – Rs.5,101,724

Audit had observed: “A division procured 482443 cft of stone during 1993-94 and 1994-95 but neither the stone was accounted for in the stock register nor consumed in work. This lead to the apprehension that the stone was misappropriated which resulted in a loss of Rs.5,101,724 to Government.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

51. Para III-A.2: Pages 101-102 – Misappropriation/Non-Accountal of Material – Chakbandi Division Lahore – Rs.78,395

Audit had observed: “A division purchased 272111 cft stone out of which 262908 cft was shown consumed for a work. The balance 9203 cft stone was neither taken back on the stock nor cost thereof was recovered from the contractor. This resulted in misappropriation of stone worth Rs.78,395 in March 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

52. Para III-A.3: Page 102 – Misappropriation/Non-Accountal of Material – Flood Bund Division Lahore – Rs.1,492,251

Audit had observed: “A division procured a quantity of 833027 cft pitching stone against which a quantity of 609723 cft consumed, leaving a balance quantity to be at site of work as 223304 cft whereas the material-at-site account showed a “NIL” balance. This resulted in misappropriation of pitching stone worth Rs.1,492,251 during 1989-90.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the

implementation of the directive of the PAC.

53. Para III-A.4: Page 102 – Misappropriation/Non-Accountal of Material – Flood Damages Restoration Cell Lahore – Loss of Rs.131,012

Audit had observed: “In a division 22000 cft stone was found short while handing/taking over charge. This resulted in a loss of Rs.131,012 to Government in June 1989.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

54. Para III-A.5: Page 103 – Misappropriation/Non-Accountal of Material – Chenab Bari Doab Canal Division Lahore – Rs.266,601

Audit had observed: “A division carted stone material in June 1994 from Texila but neither its bonafide consumption nor its proper accountal was forthcoming from the record. This led to the apprehension that the stone material has been misappropriated resulting in loss of Rs.266,601 to the Government.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

55. Para III-A.6: Page 103 – Misappropriation/Non-Accountal of Material – Stores & Workshop Division Sanda Road Lahore – Rs.9,816,500

Audit had observed: “In a division one hundred and forty five (145) tubewells were declared closed due to damaged bore from 1992-93 to 1993-94 but the serviceable material was neither transferred to other schemes nor shifted to divisional store. This resulted in a loss of Rs.9,816,500 to Government.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

56. Para III-A.7: Page 104 – Misappropriation/Non-Accountal of Material – Chenab Bari

Doab Canal Division Lahore – Rs.159,400

Audit had observed: “In a division the serviceable material of the bore-damaged tubewells was neither taken on stock nor transferred to other tubewells schemes. This material was misappropriated resulting in a loss of Rs.159,400 to Government in May 1993.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

57. Para III-A.8: Page 104 – Misappropriation/Non-Accountal of Material – Drainage Division Lahore – Rs.75,000

Audit had observed: “A division measured and paid for the carriage of 1500 wire crates from store to site of work but neither their bonafide consumption on the work nor their accountal was forthcoming from the record. This resulted in misappropriation of Rs.75,000 in March 1995.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

58. Para III-A.9: Pages 104-105 – Misappropriation/Non-Accountal of Material – Kasur Division D.C.C. Kasur – Rs.800,746

Audit had observed: “In a division tools & plants articles worth Rs.51,100 and pitching stone worth Rs.749,645 was found short at the time of transfer of charge. This resulted in shortage of material worth Rs.800,746 in August 1992.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

59. Para III-A.10: Page 105 – Misappropriation/Non-Accountal of Material – Muzaffargarh

Canal Division Muzaffargarh – Rs.200,000

Audit had observed: “In a division stock/tools & plants articles were not handed over to the successor official. The Department did not conduct any inquiry into it for fixing responsibility. This resulted in a loss of Rs.200,000 to Government in 1984.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

60. Para III-A.11: Page 105 – Misappropriation/Non-Accountal of Material – Muzaffargarh Canal Division Muzaffargarh – Rs.142,937

Audit had observed: “A division issued 35186 cft stone from the stock but its bonafide consumption on the work for which it was issued, was not forthcoming from the record. This resulted in misappropriation of stone of Rs.142,937 in November 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

61. Para III-B.1: Page 106 – Theft of Material/Trees – Tubewell Operation Division Lahore – Rs.870,780

Audit had observed: “A division neither lodged the F.I.R. of nine (9) electric transformers of different capacity stolen from July 1993 to March 1995 with the Police Department nor intimated the loss to Audit as required under the rules. This resulted in a loss of Rs.870,780 to Government.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

62. Para III-B.2: Page 106 – Theft of Material/Trees – Stores & Workshop Division Sanda Road Lahore – Loss of Rs.64,000

Audit had observed: “A division neither lodged F.I.Rs with the Police Department for theft of different kind of machinery during 1991-92 and 1993-94 nor reported the loss to Audit as required under rules. This resulted a loss of Rs.64,000 to Government.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

63. Para III-B.3: Page 107 – Theft of Material/Trees – Chenab Bari Doab Canal Division Lahore – Loss of Rs.57,900

Audit had observed: “In a division 1158 Kg copper wire was stolen in March 1990. The Department neither reported the loss to Audit nor Departmental enquiry was conducted to fix the responsibility. This resulted in a loss of Rs.57,900 to Government.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

64. Para III-B.4: Page 107 – Theft of Material/Trees – Eastern Bar Division Pakpattan – Rs.138,500

Audit had observed: “A division neither reported the theft of trees to Police nor to Audit as required under the rules and no Departmental inquiry was conducted to fix the responsibility. This resulted in a loss of Rs.138,500 to Government.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

65. Para III-B.5: Pages 107-108 – Theft of Material/Trees – Mailsi Syphon Division Thingi – Rs.409,750

Audit had observed: “A division neither reported the theft/illegal cutting of trees to Audit as

required under the rule 2.34 of Punjab Financial Rules nor Departmental inquiries were initiated. This resulted in a loss of Rs.409,750 to Government from July 1987 to December 1992.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

66. Para III-C.1: Page 108 – Acceptance of Tenders at Higher Rates – Stores I.B. Division Mughalpura Lahore – Rs.776,090

Audit had observed: “A division procured circuit/air breakers from the second lowest firm at higher rates instead of first lowest firm without mentioning any cogent reasons. Due to acceptance of higher rates Government was put to a loss of Rs.776,090 in March 1992.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

67. Para III-C.2: Page 109 – Acceptance of Tenders at Higher Rates – Lower Bari Doab Canal Division Sahiwal – Rs.509,906

Audit had observed: “A division accepted tenders at 26.63% and 21.71% instead of the permissible limit of 4.5 % above the amount of technical sanction as provided in Delegation of Financial Powers Rules, 1990. Acceptance of tenders at higher rates resulted in a loss of Rs.509906 to Government in January 1992.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

68. Para III-C.3: Page 109 – Acceptance of Tenders at Higher Rates – Muzaffargarh Canal Division Muzaffargarh – Rs.1,52,962

Audit had observed: “A division accepted tender at 11.51 % above the amount of technical sanction against the ceiling of 4.5 % fixed by the Government in Delegation of Financial Powers Rules 1990. This resulted in a loss of Rs.1,152,962 to Government in March 1992.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

69. Para III-C.4: Page 110 – Acceptance of Tenders at Higher Rates – ISRP Division-II Bahawalpur – Rs.57,758

Audit had observed: “A division accepted tender for a work at 7.04 % above the technical estimated cost instead of 4.5. % as permissible under Delegation of Financial Powers Rules 1990. This resulted in a loss of Rs.57,758 to Government in February 1994.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

70. Para III-D.1: Page 110 – Negligence – Small Dams Division Islamabad – Loss of Rs.308,000

Audit had observed: “A division purchased machinery in October 1964 and declared unworkable in December 1964 which was lying undisposed. Due to improper maintenance of machinery, the Government was put to loss of Rs.308,000 in October 1964.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

71. Para III-D.2 Page 111 – Negligence -Irrigation Research Institute Lahore – Rs.276,990

Audit had observed: “A division paid demurrage charges to Karachi Port Trust for not releasing the vehicles within the stipulated period on behalf of another sister organization. This resulted in a loss of Rs.276,990 to the Government due to negligence in November 1993 and May 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

72. Para III-D.3: Page 111 – Negligence – Kasur Irrigation Division – Rs.55,721

Audit had observed: “A division paid temporary advance of Rs.55,721 to a Sub-Engineer in September and October 1992 for payment to the work charged staff. But neither the paid vouchers were handed over nor the cash was refunded. This led to the apprehension that the amount of Rs.55,721 has been misappropriated.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

73. Para III-E.1: Page 112 – Non-Closing of Manufacture Accounts –Chakbandi Division Lahore – Rs.2,989,422

Audit had observed: “A division incurred heavy expenditure on the operation of vehicles up to September 1994 but neither the manufacture accounts were prepared/closed nor any out-turn was adjusted. This resulted in a loss of Rs.2,989,422 to Government.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

74. Para III-E.2: Page 112 – Non-Closing of Manufacture Accounts – Chenab Bari Doab Canal Division Lahore –Loss of Rs.90,162

Audit had observed: “A division failed to adjust the out-turn of a vehicle and placed the amount in “Misc.P.W. Advances” as recoverable from the officer concerned. This resulted in a loss of Rs.90,162 to Government in September 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

75. Para III-F.1: Page 113 – Payment without Funds – Store I.B. Division Mughalpura Lahore – Rs.3,440,887

Audit had observed: “A division made payment to 119 number of work-charged employees to the tune of Rs.3,440,887 on the basis of a court decision which covered payment to 50 employees only who actually moved the court. Thus, payment was made to 69 additional employees without valid authority and without funds under “stock storage” in contravention of instructions issued by the Finance Department. The expenditure was debited to the suspense head “Misc. P.W. Advances” for recovery/write-off. The irregular and unauthorized payment resulted in a loss of Rs.3,440,887 to Government.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

76. Para III-G.1: Pages 113-114 – Loss of Vehicle – Stores I.B. Division Mughalpura Lahore – Loss of Rs.1,419,625

Audit had observed: “A division purchased Pajero one unit A.C. Model 1992 for Rs.1,419,625 in August 1992 for the Minister of Irrigation and Power Department. In April 1994 another Pajero for the same Minister costing Rs.2,512,780 was again purchased. Neither the availability of whereabouts of the Pajero purchased in August 1992 nor the circumstances under which another Pajero just after a lapse of 20 months was purchased were forthcoming from the record. This resulted in a loss of Rs.1,419,625 to Government in August 1992.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

77. Para IV-A.1: Pages 114-115 – Unauthorized/Unjustified Payments – Chenab Bari Doab Canal Division Lahore – Rs.7,515,082

Audit had observed: “Rules 14.11(a) of Departmental Financial Rules provided that no work should be commenced until the sanction of the authority competent to accord sanction, has been obtained and requisite funds have been provided to it. Contrary to that a division executed certain works for which no funds were provided and made payments to contractors after placing the amounts in “Misc.P.W. Advances”. This resulted in an irregular payment of Rs.7,515,082 from March 1994 to June 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

78. Para IV-A.2: Page 115 – Unauthorized/Unjustified Payments – Store I.B. Division Mughalpura Lahore – Rs.1,052,154

Audit had observed: “A division made payment to work-charged establishment without pre-Audit by the Divisional Accounts Officer in contravention of the provisions of Para 2.14 of Departmental Financial Rules (DFR) and instructions contained in Finance Department’s Circular of 27 February 1994. Furthermore, increasing of expenditure without availability of funds under “Stock Storage” contrary to the Superintending Engineer’s instructions. This resulted in unjustified payment of Rs.1,052,154 from May 1994 to June 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

79. Para IV-A.3: Pages 115-116 – Unauthorized/Unjustified Payments- Store I.B. Division Mughalpura Lahore – Rs.390,689

Audit had observed: “A division paid wages to the work-charged employees for the month of April & May 1995 in violation of the Departmental Financial Rules and without any availability of funds. This resulted in an irregular payment of Rs.390,689.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

80. Para IV-B.1: Page 116 – Payments Without Approval – Drainage Division Lahore – Rs.387,260

Audit had observed: “A division engaged 268 tractors with trolleys and 5896 collies for the cutting, loading, unloading and launching of 536 trees for protecting a spur of Shahdara Flood Protection Bund. This work was done without approval of the competent authority. This resulted in an unjustified expenditure of Rs.387,260 in September 1993.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

81. Para IV-B.2: Page 116 – Payments Without Approval – Store I.B. Division Mughalpura Lahore – Irregular payment of Rs.226,816

Audit had observed: “A division paid higher monthly wage rates to one hundred and nineteen (119) work-charge employees without approval of the competent authority in contravention of the rules in force. This resulted in an irregular payment of Rs.226,816.”

1-8-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

82. Para IV-C.1: Page 117 – Payments Without Technical Sanction – Drainage Division Lahore – Rs.1,371,999

Audit had observed: “According to the Delegation of Financial Powers Rules 1990, acceptance of tender has been linked with the issuing of technical sanction. Furthermore, the Finance Department vide its office memo of 27 March 1990 required that the amount, number and date of the order of technical sanction and the name of authority issuing the same should be mentioned in the letter of acceptance of tender. To the contrary a division awarded a contract and incurred expenditure without obtaining technical sanction from the competent authority. This resulted in an irregular payment of Rs.1,371,999.”

1-8-02: On consideration of the facts, the Committee pended the para with the direction that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration

by the PAC.

83. Para IV-D.1: Pages 117-118 – Negligence – Drainage Division Lahore – Rs.883,391

Audit had observed: “A division allotted a work to another contractor at the risk & cost of a defaulting contractor. The defaulting contractor sought remedy from the court of law against that decision in October 1990. The court ordered in May 1993 to decide the case through an Arbitrator. However, the Divisional Officer released the security deposit of the defaulting contractor in July 1993 in the absence of any proceedings/decision of the Arbitrator. This resulted in an authorized/irregular payment of Rs.883,391.”

1-8-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

84. Para IV-E.1: Page 118 – Fictitious Payment – Store I.B. Division Mughalpura Lahore – Rs.621,433

Audit had observed: “A division paid salaries of Rs.621,433 to work-charged employees without obtaining the attendance certificate from the concerned Sub-Divisional Officer/Assistant Engineer as required under the rules. The payment made without the attendance certificate resulted in fictitious payment of Rs.621,433.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

85. Para IV-F.1: Pages 118-119 – Irregular Drawal of Cheques – Store I.B. Division Mughalpura Lahore – Rs.450,000

Audit had observed: “In a formation a cheque for Rs.450,000 was drawn for self from the treasury on 18 June 1995 for disbursing pay to work charged establishment whose pay rolls for Rs.389,688 were passed for payment on 26 June 1995. The advance drawal of huge amount even in excess of actual requirements was managed in contravention of codal rules which required that no cheque should be drawn until it is intended to be paid away. Besides, the cheque was got cleared from treasury by charging the amount to “Suspense Head” after recording a bogus certificate on form-II that net effect of “Suspense Head” would be kept nil before the end of financial year violating the instructions of Finance Department. This resulted in an irregular payment of Rs.450,000 in June 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

86. Para V-A.1: Page 120 – Expenditure Without Provisions of Funds – Tubewell Operation Division Lahore – Rs.1,874,819

Audit had observed: “A division incurred an expenditure without provision of funds in contravention of para 2.16 of Departmental Financial Rules (DFR). This resulted in an irregular expenditure of Rs.1,874,819 during 1993-94.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

87. Para V-A.2: Page 120 – Repair of Vehicle Without Provisions of Funds – Machinery Irrigation Division Lahore – Rs.149,454

Audit had observed: “A division repaired vehicle in December 1993 on the directions of Deputy Secretary General without receipt of funds. This resulted in an unauthorized expenditure of Rs.149,454.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

88. Para V-B.1: Page 121 – Payment Without Sanctioned Estimates – Chenab Bari Doab Canal Division Lahore – Rs.17,102,402

Audit had observed: “A division incurred expenditure from 1989-90 to 1993-94 on account of repair of tubewells without the sanction of manufacturing estimates besides accountal of the spare parts in the respective log books was not made. This resulted in an un-authorized expenditure of Rs.17,102,402.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation

of the directive of the PAC.

89. Para V-B.2: Page 121 – Payment Without Sanctioned Estimates – Chenab Bari Doab Canal Division Lahore – Rs.385,500

Audit had observed: “A division repaired a Pajero Jeep from a private workshop without receipt of NOC from the Government workshop and sanctioned estimate by the competent authority. This resulted in an irregular expenditure of Rs.385,500 in August 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

90. Para V-C.1: Page 122 – Payment Against Financial Rules – Store I.B. Division Mughalpura Lahore – Rs.189,924

Audit had observed: “In a division of Divisional Officer paid salaries to work charged staff at the rates beyond his competency which was not admissible under Delegation of Financial Powers Rules 1990. This resulted in an irregular expenditure of Rs.5,971,224 involving excess payment of Rs.189,924 from April 1992 to June 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

91. Para V-C.2: Page 122 – Payment Against Financial Rules – Khanwah Irrigation Division – Rs.13,913,700

Audit had observed: “A division splitted a project into four groups/sub-projects to avoid sanction of the next higher authority. This resulted in an irregular expenditure of Rs.13,913,700 upto April 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

92. Para V-D.1: Page 123 – Fictitious Measurements – Kasur D.C.C. Division Kasur –

Rs.246,741

Audit had observed: “According to the specifications for execution of works the preparation of foundation/sub grade is pre-requisite for the lining of a canal. Whereas a division measured and paid 9841.87 cft cement masonry and 21384 sft of cement plaster in the bed of canal without preparation of foundation/sub grade therein. This resulted in an infructuous expenditure of Rs.246,741 in June 1993.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

93. Para V-E.1: Page 123 – Negligence – Trimmu Headworks Division Trimmu – Rs.542,288

Audit had observed: “A division made payment for earth work and finalized the accounts of the contractor without compaction of the earth work as per requirement of the estimate and specification of work. Thus, work was done below specification. This resulted in wasteful expenditure of Rs.542,288 in June 1994.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

94. Para VI-A.1: Pages 124-125 – Irregular Utilization of Government Money – Upper Jhelum Canal Division Jhelum – Rs.1,348,741

Audit had observed: “A division issued a special cheque during June 1991 in favour of Sub-Divisional Officer, Rasul Headworks on account of supply of stone but despite lapse of a period of more than four years neither the stone nor the amount was received back. This resulted in an irregular utilization of budget of Rs.1,348,741.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

95. Para VI-A.2: Page 125 – Irregular Utilization of Government Money – Store I.B. Division Mughalpura Lahore – Rs.2,960,503

Audit had observed: “A division utilized net profit lying under sub head “Stock Storage” on salaries of work-charged employees and other items instead of crediting it to the “Revenue” as required under article 171 read with article 102(c) of Account Code Vol-III. This resulted in un-authorized utilization of Government revenue amounting to Rs.2,960,503 in June 1991.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

96. Para VI-A.3: Pages 125-126 – Irregular Utilization of Government Money- Shujabad Canal Division Multan – Rs.327,911

Audit had observed: “A division utilized cash receipts on account of renewal fees/sale of tenders/auctions/ lease of lands, shops, fruit trees and rent recovery of rest house for the period from November 1993 to December 1995 towards expenditure on account of payment to work charge establishments, telephone/ electric charges etc against the financial rules. This resulted in mis-utilization of Government revenue of Rs.327,911.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

97. Para VI-B.1: Page 126 – Extra Short Carriage – Kot Adu Canal Division Kot Adu – Rs.168,174

Audit had observed: “A division allowed extra short carriage for 254231 cft of stone just to give undue benefit to the contractor of higher rates of initial mileage instead of continuous carriage to the site of work. This resulted in undue payment of Rs.168,174 to the contractor in September 1995.”

1-8-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Annexure Paras

1. Para 17(a) 26(i)(57-58): Page 229 read with Sr.No.1 of Audit Report for the year 1995-96; Non-recovery – Rs.81,200.
2. Para 60(81-82): Page 229 read with Sr.No.3 of Audit Report for the year 1995-96; Irregular purchase of jeeps – Rs.18,000.
3. Para III-1(7)(85-86): Page 230 read with Sr.No.4 of Audit Report for the year 1995-96; Shortage of stores – Rs.47,433.
4. Para II-6(85-86): Page 230 read with Sr.No.5 of Audit Report for the year 1995-96; Excess payment – Rs.262,446.
5. Para I.1(86-87): Page 230 read with Sr.No.6 of Audit Report for the year 1995-96; Non recovery of Government dues – Rs.43,710.
6. Para II-18(86-87): Page 230 read with Sr.No.7 of Audit Report for the year 1995-96; Excess payment – Rs.89,969.
7. Para No.III(i)-17(86-87): Page 230 read with Sr.No.8 of Audit Report for the year 1995-96; Shortage of trees – Rs.72,175.

18-7-02: The Committee directed that the Department should comply with the directives of the PAC by 31 December 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Paras (Sr. No.1 to 7 above) were kept pending.**

1. Para No.14(I)(76-77): Page 229 read with Sr.No.2 of Audit Report for the year 1995-96; Loss due to theft of stores – Rs.5,000.

1-8-02: On verification of recovery/record, Audit had recommended that the above mentioned para be settled. **The PAC settled the para.**

Commercial Audit

1. Para 1(xviii): Page 6 – Non-Compilation of Accounts

(xviii) Irrigation Workshops Division Moghalpura, Lahore

1992-93
1995-96

25-7-02: The PAC noted the contents of the Audit para and directed that the Departments should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Department must ensure that the accounts are compiled and submitted to Audit in time.

2. Paras 4, 5 and 38: Pages 9, 13, 37 & 38

25-7-02: The Committee **noted** the paras.

Revenue Receipts Audit

1. Chapter-7: Pages 35-36

(A) Non-recovery of Water Charges – Rs.63,746,829

(B) Non-realization of Government Revenue Due to Non-finalization of Tawan Cases – Rs.2,390,841

25-7-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

2. Chapter 8: Page 37 – Delay in Disposal of Inspection Reports

25-7-02: The Committee **noted** the Chapter as it was descriptive in nature.

Labour Department

Overview

Total Paras	Civil
1	1

Abstract

Status	Decision	Para Nos.	Total
Paras Conditionally Settled 1	The paras was settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee within six months.	Civil: 14.1.	1

Discussed on 25 July 2002

Civil Audit

1. Para 14.1: Page 212 – Un-justified Payment of Office Rent – Loss of Rs.315,000

Audit had observed: “A scrutiny of office record revealed that the stated amount was paid as office rent during 1994-95 inspite of the fact that a building of the Department was available. This resulted into loss to Government amounting to Rs.315,000 under the charge of Joint Director Labour Welfare Multan during 1993-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Lahore High Court Department

Overview

Total Paras	Civil
3	3

Abstract

Status	Decision	Para Nos.	Total
Paras Conditionally Settled 1	The para was settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee within six months.	Civil: 12.3.	1
Paras Pended 2	Paras pended with the direction that the SDAC shall consider the matter and submit its report to the Committee for consideration.	Civil: 12.1, 12.2.	2

Discussed on 25 July 2002

Civil Audit

1. Para 12.1: Page 202 – Non-deposit of Government Receipt Amounting to Rs.673,571

Audit had observed: “A scrutiny of record of the formation revealed that the amount to the stated extent of Copying Fee was deposited into private bank instead of Government Treasury prior to 6/88 which resulted into irregularity as the same had not yet been deposited.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

2. Para 12.2: Pages 202-203 – Non-deposit on Account of Judicial Security – Rs.103,400

Audit had observed: “A scrutiny of record of the formation revealed that the amount to the stated extent was realized as Judicial Security for Bailiff expenses under HABEAS CORPUS ACT but the same i.e. lapsed security was not deposited into the Government Treasury and was shown Cash in hand. This resulted into loss to Government amounting to Rs.103,400 under the charge of Additional Register Lahore High Court Multan Bench, Multan during the year 1981-95.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

3. Para 12.3: Pages 203-204 – Likely Embezzlement of Rs.200,904

Audit had observed: “An Audit scrutiny of record showed that the amount to the stated extent was drawn from Government Treasury on account of payment of Electricity and Telephone Charges but the same was not paid to WAPDA and PTC. The amount seemed to have embezzled. This resulted into a loss to public exchequer amounting to Rs.200,904 during 1993-94 under the charge of District & Session Judge Bahawalpur.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Livestock & Dairy Development Department

Overview

Total Paras	Civil	Commercial
11	7	4

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 1	The para was noted as it contained Accounts and departmental financial review.	Commercial: 123	1
Paras Conditionally Settled 9	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months..	Civil: 13.1, 13.2, 13.3, 13.4, 13.5, 13.7	6
		Commercial: 124, 125, 126	3
Para Pended 1	Para pended with the direction that the SDAC shall consider the matter and submit its report for consideration by the Committee.	Civil: 13.6.	1

Discussed on 25 July 2002

Civil Audit

1. Para 13.1: Page 206 – Loss of Rs.258,140

Audit had observed: “During Audit it was observed that an amount of Rs.687,140 was robbed by unknown persons on 2.1.1993. FIR No.1.1.1993 was lodged with Police. A sum of Rs.429,000 was recovered as a result of investigation by the Police and credited into Government Treasury on 27.10.1994 leaving a balance of Rs.258,140.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para 13.2: Pages 206-207 – Non-recovery of Government Dues on Account of Farm Commodities Worth Rs.52,382

Audit had observed: “The Audit scrutiny of sale/issue of stock accounts compared with entries of petty cash book and bill book revealed that an amount of Rs.52,382 on account of sale of farm commodities had not been realized and deposited into Government account.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 13.3: Page 207 – Non-Recovery of Land Rent and Abiana Charges Worth Rs.81,738

Audit had observed: “During Audit scrutiny of accounts record it was noticed that agricultural land of the Farm was given on patta with the customary terms and conditions that all the revenue dues including Abiana would be received/recovered at the beginning of the calendar year i.e. on 1st January. But contrary to the stipulated terms and conditions, the revenue dues had not been realized even after the close of calendar.”

25-7-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para 13.4: Page 208 – Non-deduction of Income Tax – Rs.70,209

Audit had observed: “A scrutiny of record showed that Income Tax was not deducted at source where the supply exceed Rs.25,000 in a year in contravention of provision of Section 50(4) of Income Tax Ordinance

1979, which resulted into loss of Rs.70,209 under the charge of Deputy Director, Semen Production Unit Qadirabad during the year 1990-95.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction -**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 13.5: Pages 208-209 – Long Outstanding Recoveries on Account of Vaccine/Sera – Rs.1,833,184

Audit had observed: “The stated amount was realized from different offices on account of sale proceed of vaccine/sera but was not remitted into Government Treasury & no efforts made to effect the recoveries.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 13.6: Pages 209-210 – Irregular Purchase of Stores of Rs.2,338,524

Audit had observed: “As per Finance Department letter No.FD(FR)-II-5/82, dated 2.11.1986 the officers in category-I are authorized to make local purchase of an article of store or a class of similar articles of stores at one time without splitting the indent during the period of one year up to Rs.150,000 but it was observed that stores to the above extend had been purchased by violating the orders of Finance Department.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

7. Para 13.7: Page 210 – Un-authorized Drawal of House Rent Allowance – Rs.285,173

Audit had observed: “An examination of the record revealed that the veterinary officers residing in the Government accommodations attached/local within premises of the veterinary hospitals were paid house rent allowance and recovery of 5% of their basic pay was also not made. It resulted in overpayment of Rs.285,173.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall

be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Commercial Audit

1. Para 123: Page 76 – Working Results of Punjab Dairy Corporation Limited, Lahore for the years 1994-95 and 1995-96

25-7-02: The Committee **noted** the working results.

2. Para 124: Page 77 – Steps May be Taken to Recover the Outstanding Dues – Rs.700,157

Audit had observed: “The balance also includes debtors amounting to Rs.700,157 for which party wise record was not kept by the Corporation. Reasons for non-keeping the record, need to be stated. Steps may be taken to recover the outstanding dues at the earliest.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 December 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 125: Page 77 – Stores, Spares and Stock in Trade – Rs.769,093

Audit had observed: “Stores, Spares and Stock-in-Trade which stood at Rs.769,093 (before provision for obsolete stock) on 30 June 1995 as well as 30 June 1996 included raw and packing material of Rs.359,515. Since the plant closed on 14 March 1990 the retention of the stock was not justified. Steps need be taken to dispose of stock of the raw and packing material before the same is deteriorated and destroyed.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para 126: Page 77 – Advances Against Salaries – Rs.2.415 & Rs.2.410 Million

Audit had observed: “Advances against salaries stood at Rs.2.415 million as 30 June 1994 and 30 June 1995 and Rs.2.410 million on 30 June 1996. There was a slight movement under this head during the year, 1995-96 which clearly indicates that no efforts were made to adjust the advances given to the staff against salaries. Reasons of non-adjustment of advances need be stated.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Local Government and Rural Development Department

Overview

Total Paras	Works
5	5

Abstract

Status	Decision	Para Nos.	Total
Paras Conditionally Settled 1	The paras was settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee within six months.	Works: I-1.	1
Paras Pended 4	Paras pended with the direction that the SDAC shall consider the matter and submit its report for consideration by the Committee.	Works: II-1, II-2, II-3, II-4.	4

Discussed on 25 July, 2002.

Works Audit

1. Para I-1: Page 213 – Excess Payment to Contractors – Director Local Government and Rural Development Department Rawalpindi – Rs.348,546

Audit had observed: “A formation paid the excessive rate for non-schedule item of precast and prestressed roofing more than the sanctioned rate of Rs.28 per sft as provided in the administrative approval and technical sanction. This resulted in an overpayment of Rs.348,546 during 1989-90 and 1990-91.”

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction-**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 December 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para II-1: Page 214 – Misappropriation of Government Money – Director Local Government and Rural Development Department Rawalpindi – Rs.1,363,000

Audit had observed: “In a formation an expenditure of Rs.6,347,000 was incurred against the funds of Rs.7,710,000. The balance amount of Rs.1,363,000 was not accounted for in cash book, bank pass book and PLA account etc. This resulted in misappropriation/non-accountal/possible embezzlement of Rs.1,363,000 from 1988-89 to 1989-90.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

3. Para II-2 Page 215 – Misappropriation of Government Money – Director Local Government and Rural Development Department Rawalpindi – Rs.1,302,952

Audit had observed: “A formation drew cash from bank through four (4) cheques but no entry for payment existed in the cash book. The counterfoils of these (4) cheques were also missing from the cheque book. This resulted in misappropriation/possible embezzlement for Rs.1,302,952 during 1990-91 and 1991-92.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

4. Para II-3: Page 215 – Misappropriation of Government Money – Director Local Government and Rural Development Department Rawalpindi – Rs.231,087

Audit had observed: “A formation drew an amount of Rs.231,087 on 30 June 1990 against cheque No. 801198 without any corresponding entry of payment in the cash book. The counterfoil of this cheque was also missing from the cheque book. This resulted in misappropriation/possible embezzlement of Rs.231,087.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

5. Para II-4: Page 216 – Misappropriation of Government Money – Director Local

Government and Rural Development Department Rawalpindi – Rs.100,000

Audit had observed: “A formation drew an amount of Rs.392,120 against cheque No. 741561 issued for Rs.292,120. This resulted in an overpayment/possible embezzlement of Rs.100,000 during 1991-92.”

25-7-02: On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 December 2002 for consideration by the PAC.

Population Welfare Department

Overview

Total Paras	Civil
10	10

Abstract

Status	Decision	Para Nos.	Total
Paras Finally Settled 1	The paras was finally settled as the requisite action had been taken.	Civil: 15.9	1
Paras Conditionally Settled 9	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 15.1,15.2, 15.3, 15.4, 15.5, 15.6, 15.7, 15.8, 15.10.	9

Discussed on 4 August 1999 and 25 July 2002

Civil Audit

1. Para 15.1: Page 214 – Embezzlement of Rs.60,000

Audit had observed: “A scrutiny of record showed that the amount to the stated extent was paid to Incharge Medical Officer (RHS) “A” as loan. There was no provision for advancing such loans. Neither the loan was returned nor any vouched account was shown to Audit. The entire amount, therefore, stand embezzled under the charge of District Population Welfare Officer, Khanewal during 1991-95.”

4-8-99: The Department explained that the amount of Rs.60,000 was given to the Rural Health Centre “A” Khanewal which had since been received back by the Director Population Welfare Organization Khanewal.

The PAC **settled the para subject to verification of relevant record** pertaining to the transaction of Rs.60,000 by Audit.

3. Para 15.2: Pages 214-215 – Likely Misappropriation of Rs.87,404

Audit had observed: “The verification of record of PLA revealed that the amount of Rs.87,404 have been misappropriated by the officers as no vouched account was produced after lapse of about three years to Audit by the Department. It resulted into loss of Rs.87,404 to the public exchequer.”

4-8-99: The Department explained that final vouched accounts against the expenditure of Rs.87,404 was available and ready for verification.

The PAC **settled the para subject to verification of relevant record** by Audit.

4. Para 15.3: Page 215 – Misappropriation of Medicines – Rs.90,071

Audit had observed: “A scrutiny of record showed that the medicines to the stated extent were supplied to the Incharge of Family welfare centres for free distribution to patients, but the medicines were misappropriated by (i) non accountal (ii) balance were not carried forwarded to next year. This resulted in a loss to Government amounting to Rs.90,071 under the charge of the District Population Welfare Officer, Kasur during the year 1994-95.”

4-8-99: The Department explained that contraceptive medicines in question were genuinely consumed/issued to patients as shown in the monthly performance report of the centres. The consumption was properly accounted for. The previous incharge FW. Centre was transferred and the new incumbent could not explain/show the relevant record to Audit. Anyhow, the proper accountal of consumption was available.

The PAC **settled the para subject to verification of relevant record** by Audit.

5. Para 15.4: Page 216 – Misappropriation of Rs.876,160

Audit had observed: “The scrutiny of record revealed that stationery POL and Medicines to the stated extent were purchased by the District Population Welfare Office, Chakwal. Neither those were accounted for in stock register nor consumption account thereof was shown to audit despite requests. It resulted into loss of Rs.876,160 to public exchequer.”

4-8-99: The Department explained that stock entries and consumption account pertaining to the purchase of stationery, POL and medicines worth Rs.8,76,160/• were available in stock register.

The PAC **settled the para subject to verification of relevant record** by Audit.

6. Para 15.5: Page 216-217 – Irregular Payment of Rs.1,478,400 to RR Movies for Feature Films Loss to Government of Rs.620,700

Audit had observed: “During Audit scrutiny of record it was noticed that the purchase of commercial films & songs had been made at higher rates without calling the tender and adopting the purchase procedure resulting loss to Government to the stated extent.”

4-8-99: The Department explained that relevant provisions of Purchase Manual allowed the

Department to make direct dealing with the firm (being sole distributors). Anyhow, before finalizing the case the rates at which the PWD, NWFP had purchased the films were ascertained which were found higher than those paid by Punjab PWD. The expenditure had been incurred according to the rules.

The PAC was not satisfied with the explanation and directed that:•

(i) inquiry may be conducted and responsibility be fixed against the defaulter who made advance payment of Rs.7,39,200/• without sanction of Finance Department and for the loss of Rs.6,20,700/•.

(ii) recovery of loss may be made from the defaulter.

The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 August 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para 15.6: Page 217 – Irregular Appointment and Payment of Salary – Rs.78,903

Audit had observed: “Three male were appointed against the sanction posts of Female FWA irregularly and paid salary Rs.78,903. It resulted into an authorized payment to the stated extent.”

4-8-99: The Department explained that the appointments of three officials were made on the political pressure. Anyhow, on completion of training period their services were terminated. The Department, however, regretted this omission.

The PAC directed the Department may consider to take action that the amount irregularly paid may be recovered from the appointing Authority. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 August 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para 15.7: Pages 217-218 – Irregular Advance Drawal of Rs.901,669/• and Recovery of Rs.9,050

Audit had observed: “Under Rule-2.10(b)(5) PFR Vol-I no money is withdrawn from treasury until and unless it is required immediately. It was observed that an amount of Rs.901,669 was drawn in advance in

1994-95 without immediate requirement and sanction of Finance Department. Further there was no adjusting voucher/bill of Rs.9,050 in record.”

4-8-99: The Department explained that the amount in question had been drawn to meet the expenditure of the celebration of World Population Day wherein the prizes had to be distributed and T.A. had to be paid to the participants. Out of the total amount of Rs.9,01,669 an amount of Rs.1,64,840 was spent and the balance sum of Rs.7,36,829 was deposited into the PLA.

The PAC directed the Department to produce the relevant record to Audit for verification. The para was kept pending.

25-7-02: Reiterating the decision of the PAC dated 4 August 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 15.8: Pages 218-219 – Recovery on Account of Shortage of Clinical Contraceptives Amounting to Rs.200,243

Audit had observed: “A scrutiny of record revealed that shortage of 12649 clinical contraceptives valuing Rs.200,243 was pointed out by the Department but no efforts were made to make good the loss which resulted into loss to Government to the stated extent under the charge of District Population Welfare Officer, Sahiwal during the year 1991-95.”

4-8-99: The Department explained that full recovery had since been made.

The PAC directed the Department that the relevant record pertaining to recovery may be produced to Audit for verification within three months under intimation to PAC. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 August 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para 15.9: Page 219 – Non-deposit of Income Tax – Rs.612,547

Audit had observed: “During the audit scrutiny of vouchers it was observed that Income Tax to the stated extent was deducted from various firms but has not been deposited into Government

Treasury. When pointed out by Audit in March 1996 no reply was given.”

4-8-99: The Department explained that Income Tax had been deposited with Income Tax Authorities.

The PAC accepted the explanation and **the para was settled.**

11. Para 15.10: Page 220 – Un•authorized Deposit of Government Money – Rs.5,551,806

Audit Had observed: “A scrutiny of PLA accounts revealed that the Secretary withdrew a sum of Rs.5,551,806 from PLA and deposited the same in Bank of Punjab in violation of provision of Finance Department letter No.FD(FR)V-6/25 dated 20.10.78.”

4-8-99: The Department explained that the Department was doing a very important job of controlling the birth rate of the country. For this purpose patients and Surgeon had to be paid certain fee and for this purpose to make the funds handy the said amount was deposited in the Bank of Punjab. Out of the said amount of Rs.55,51,806 a sum of Rs.6,49,846 had been spent on contraceptive surgery fee and medicines. The balance amount of Rs.49,01,960 remained in the Bank of Punjab. There was neither any embezzlement nor any ill intention.

The PAC was not satisfied with the explanation and observed that the case may be referred to the Chief Minister for action. However, the Administrative Secretary requested the PAC to give him time upto 6-8-99 to probe into the matter afresh with the help of Director General Civil Audit. If the total amount had remained in the Bank of Punjab for a short time then the matter may not be sent to the Chief Minister, otherwise the case may be sent to Chief Minister.

The PAC accepted the request and directed that Audit would check the record upto 6-8-1999 to ascertain the factual position. If the irregularity was proved then the Administrative Secretary shall initiate action under the rules against the individual who was responsible for the withdrawal of said amount of Rs.5,551,806 and keeping the same irregularly drawn amount in the Bank of Punjab in violation of Government orders. A copy of the Report of the Director General Civil Audit should also be sent to the PAC. The para was kept pending.

25-7-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 August 1999 by 31 December 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

Transport Department

Overview

Total Paras	Commercial	Revenue Receipts
19	16	3

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 4	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	Commercial: 127.	1
		Revenue Receipt: Chapter 1, 2, 3.	3
Paras Conditionally Settled 15	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Commercial: 34, 35, 36, 37, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138.	15

Discussed on 25 July 2002

Commercial Audit

1. Para 34: Page 32 – Loss of Rs.265,547 on Account of Non-deposit of Sale Proceeds of Tickets

Audit had observed: “In PRTC (Urban) Rawalpindi certain conductors who were in receipt of tickets valuing Rs.265,547 did not deposit sale proceeds against the tickets issued to them during the year 1992-93. These conductors are no more in the service of the Corporation. Thus, due to non-reconciliation of the sale proceeds of tickets before resignation of the employees the Corporation has apparently sustained a loss of Rs.265,547.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para 35: Page 32 – Non-recovery of Rs.113,738 from Private Parties

Audit had observed: “In PRTC (I.C) Rawalpindi an amount of Rs.113,738 was shown as recoverable from different private parties who have already done into default. Thus due to non-recovery of the old outstanding dues for years together the Corporation may have suffered a loss to that extent.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 36: Page 33 – Blockage of Funds to the Tune of Rs.1.936 Million Due to Non-disposal of Spare Parts

Audit had observed: “In Punjab Road Transport Corporation (Urban) Islamabad, certain spare parts of Fiat Buses valuing Rs.1,936,116 were lying in the store unutilized since long. The non-consumption of spare parts clearly indicates that the same were procured unnecessarily without any urgent and immediate need. Thus due to unnecessary procurement of spare parts of buses public funds to the tune of Rs.1,936,116 were unnecessarily blocked.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para 37: Page 33 – Expected Loss of Rs.50,903 Due to Non-recovery of Corporation Dues from the Parties/Departments

Audit had observed: “In Punjab Road Transport Corporation (Urban) Islamabad an amount of Rs.50,903 was outstanding for two to eleven years (since 1980-81 to 1988-91) against various parties and Departments on account of hire charges of vehicles and rent of Corporation’s canteens/stalls. The dues have not been recovered so far. Resultantly, the Corporation is likely to sustain a loss of Rs.50,903.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 127: Pages 78-79 – Working Results of Punjab Road Transport Corporation (Pvt.) Ltd. for the years 1992-93 and 1993-94

25-7-02: The Committee **noted** the working results.

6. Para 128: Page 79 – Loans/Funds Received From Federal & Provincial Governments – Rs.3449.670 Million

Audit had observed: “Owing to continuous losses, the financial position of the Corporation is not satisfactory and operation of organization as going concern is uncertain. It is unable to repay the loans/funds received from Federal and Provincial Governments. The Corporation received funds from Government which stood Rs.3449.670 million as on 30-06-1994. These funds were shown as equity fund on 30 June 1993 but these were subsequently classified under the head funds received from Government on 30 June 1994. The terms and condition regulating the grant of these funds needs to be intimated to Audit.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para 129: Page 79 – Stores and Spares of Rs.43.791 Million

Audit had observed: “Stores and spares of Rs.43.971 million as on 30 June 1994 included obsolete assets worth Rs.1.620 million for which no provision has been made in the accounts resulting into under statement of the loss to that extent. The reasons for which the stores and spares became obsolete need be investigated and resultant loss made good.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para 130: Page 79 – Misappropriation of Cash – Rs.2.183 Million

Audit had observed: “Shortage of stores, misappropriation of cash and others for Rs.2.183 million appearing in the Accounts as on 30 June 1994, need be investigated with a view to effect recovery from the concerned quarters.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 131: Page 79 – Depreciation of Fixed Assets – Rs.1.765 Million

Audit had observed: “Fully depreciated fixed assets of Rs.1.765 million have been eliminated from the books of accounts as on 30 June 1994. In order to have an effective control on these assets, such assets should have not been eliminated from the books of accounts until such time the assets are disposed off. Elimination of these assets from the books of accounts need be justified.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para 132: Page 79 – Loss to Government – Rs.1.765 Million

Audit had observed: “In various units of the Corporation, no depreciation has been provided on assets costing Rs.1.765 million resulting thereby under statement of loss to that extent. Non-provision of depreciation on these assets need be justified.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para 133: Page 79 – Loss to Government – Rs.3.421 Million

Audit had observed: “Fully depreciated fixed assets of Rs.44.537 million deleted from the books of accounts on 30 June 1994 were sold for Rs.3.421 million the resultant loss on deletion/disposal of these assets need be worked out and intimated to Audit.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para 134: Page 79 – Interest on Government Loans

Audit had observed: “The Management has not provided interest on Government funds and loans except

debenture loans which resulted into under statement of loss to the same extent. Non providing of interest on Government funds/loans need be justified.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 135: Page 79 – Approval of Accounts for the Year 1992-93 and 1993-94

Audit had observed: “The accounts for the year, 1992-93 and 1993-94 have not been approved by the Board. The accounts need be got approved from the Board of Directors and minutes of meeting approving the accounts supplied to Audit.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

14. Para 136: Page 79 – Non-recovery of Sundry Debtors – Rs.5.317 Million

Audit had observed: “In order to accelerate the pace of recovery from the sundry debtors which stood Rs.5.317 million as on 30 June 1994 year-wise statement of Debtors needs be prepared for early recovery from the chronic debtors.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

15. Para 137: Page 80 – Non-Recovery of Outstanding Dues – Rs.1083.213 Million

Audit had observed: “Current assets valuing Rs.1083.213 million as on 30 June 1994 included an amount of Rs.875.773 million receivable from PRTC (inter-city) as against Rs.687.576 million in the preceding year. The authority for recovery of huge dues from one of the segment PRTC Inter-city of the organization (PRTC (Pvt.) Ltd.) may be intimated and strenuous efforts made to recover the outstanding dues from the concerned agency.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December

2002. Finance Department shall monitor the implementation of the directive of the PAC.

16. Para 138: Page 80 – Assets Valuing Rs.232.154 Million Have not been Verified

Audit had observed: “Fixed assets valuing Rs.232.154 million have not been physically verified as on 30 June 1994. In the absence of physical verification, the assets as shown in the accounts represented merely book value only. The need for conducting physical verification of assets and also of reconciliation with the fixed assets ledgers is stressed upon the management. The physical verification of stores and spares valuing Rs.43.971 million may also be conducted and resultant shortage if any investigated to make good the loss.”

25-7-02: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction –**

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 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Revenue Receipts Audit

1. Chapter 1 & 2: Pages 1-7

25-7-02: The Committee **noted** the chapters as these were of introductory/descriptive nature.

2. Chapter 3: Pages 9-10

25-7-02: The Committee **noted** the chapter as it embodied the results of Audit.

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

Copy forwarded for information to the:-

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

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

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

Dated Lahore the, 20th October 2000

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

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