

PROVINCIAL ASSEMBLY OF THE PUNJAB



REPORT

OF THE

PUBLIC ACCOUNTS COMMITTEE-II

ON THE COMMERCIAL ACCOUNTS OF THE GOVERNMENT OF

THE PUNJAB FOR THE YEAR 1983-84, 1984-85

AND

REPORT OF THE AUDITOR GENERAL OF PAKISTAN THEREON

C O N T E N T S

<u>Chapter</u>	<u>Name of the Department</u>	<u>Page</u>
	Preface	I
	Preliminary	VIII
I	Agriculture	1
II	Excise and Taxation	54
III	Forestry and Wildlife	58
IV	Health	60
V	Industries and Mineral Development	63
VI	Irrigation and Power	85
VII	Livestock, Dairy and Poultry	88
VIII	Transport	110

P R E F A C E

The Reports of the Auditor General of Pakistan, on Commercial Accounts of the Government of the Punjab for the year 1983-84 and 1984-85 were considered by the following three Public Accounts Committees No.II. The Preliminary Examination of the Commercial Accounts of the Government of the Punjab for the year 1983-84 and 1984-85 and the Report of the Auditor General of Pakistan thereon, presented to it in its meetings held on the 19th to 21st December, 1987, in Tea Room, Assembly Building, Lahore. It was attended to by the Members of Ist Public Accounts Committee No.II.

PAC - II

1ST

- | | | |
|-----|--|----------------------|
| 1. | Ch. Khushal Muhammad, MPA | Chairman |
| 2. | Ch. Abdur Rasheed, MPA | Member |
| 3. | Mr. Sarfraz Nawaz, MPA | Member |
| 4. | Ch. Gul Nawaz Khan Waraich, MPA | Member |
| 5. | Ch. Muhammad Azam Cheema, MPA | Member |
| 6. | Mian Ghulam Farid Chishti, MPA | Member |
| 7. | Malik Ghulam Haider Thind, MPA | Member |
| 8. | Mrs. Bushra Rehman, MPA | Member |
| 9. | Malik Ghulam Abbas Naswana, MPA | Member |
| 10. | The Minister for Finance,
Government of the Punjab, Lahore. | Ex-Officio
Member |

PAC - II

2ND

- | | | |
|----|---------------------------------------|----------|
| 1. | Sardar Ashiq Hussain Khan Gopang, MPA | Chairman |
| 2. | Sardar Muhammad Amjad Farooq, MPA | Member |
| 3. | Mian Manzoor Ahmed Mohal, MPA | Member |

4.	Sardar Muhammad Murad Khan Gadhi, MPA	Member
5.	Ch. Muhammad Akram, MPA	Member
6.	Ch. Muhammad Shah Nawaz Cheema, MPA	Member
7.	Mr. Aman Ullah Khan, MPA	Member
8.	Dewan Syed Ashiq Hussain Bokhari, MPA	Member
9.	Mrs. Saghira Islam, MPA	Member
10.	The Minister for Finance, Government of the Punjab, Lahore.	Ex-Officio Member

PAC - III

ARD

1.	Sardar Ashiq Hussain Khan Gopang, MPA	Chairman
2.	Raja Nasir Ali Khan, MPA	Member
3.	Malik Mukhtar Ahmed, MPA	Member
4.	Ch. Shafqat Abbas, MPA	Member
5.	Malik Ahmed Ali Aulakh, MPA	Member
6.	Mr. Muhammad Anwar Ali Khan Baloch, MPA	Member
7.	Malik Mukhtar Ahmed Awan, MPA	Member
8.	Haji Ghulam Haider Khan Khichi, MPA	Member
9.	Malik Iqbal Ahmed Khan Lanagrial, MPA	Member
10.	The Minister for Finance, Government of the Punjab, Lahore.	Ex-Officio

The Committee started the process of Preliminary Examination of the afore-said Reports of Auditor General of Pakistan thereon relating to the Commercial Accounts of the Government of the Punjab for the year 1983-84 and 1984-85 in its meetings held on 19th to 21st December, 1987. In the meantime, the Provincial Assembly of the Punjab was dissolved from 30th May, 1988 and 6th August, 1990 and subsequently restored on 29th November, 1988 and 4th November, 1990 respectively. The Committee completed the detailed examination of the above mentioned regular business/work in its last

meeting held on 30-4-1991.

EXAMINATION OF ACCOUNTS

During the course of its deliberation, the Committee observed the following serious irregularities

I. RECONCILIATION OF ACCOUNTS

Delay in or lack of proper attention in reconciliation of sale collection/Commercial Accounts leads to corruption and bungling. There are a number of reasons that the Departments avoid to complete this requirements in time. The Committee observed that the heads of the Departments, if found lethargic in exercising proper check in the matter of reconciliation of accounts in time they should be called upon to explain the reasons and if no cogent reasons exist, they should be held responsible for indiscipline on this part.

II. SUBMISSION OF DELAYED/INCORRECT WORKING PAPERS BY THE ADMINISTRATIVE DEPARTMENTS.

It was observed that the Departments submit working papers as late as day or two before, or as the day of meeting which cause inconvenience to the Committee as the Members do not have time to go through the working papers and have to deliberate upon without home work. The Departments/Agencies are advised to submit their working papers at least a week in advance of schedule of the meeting.

III. RELUCTANCE OF THE ADMINISTRATIVE DEPARTMENT TO PRODUCE RELEVANT RECORD BEFORE PUBLIC ACCOUNTS COMMITTEE/AUDIT.

The Committee observed that the Administrative

Departments do not produce the original relevant record before the Public Accounts Committee/Audit. This tendency leads to a number of difficulties because in the absence of the original relevant record the Audit Paras in question cannot be properly examined to arrive at some positive conclusion. Moreover, the non - production of the record not only causes delay in the finalisation of the Audit Paras, it also creates the impression that the Administrative Departments are manoeuvring to conceal the facts from the Audit/Public Accounts Committee.

The Administrative Departments are therefore, advised to produce the original relevant record before the Public Accounts Committee/Audit as and when desired.

IV. COURT CASES

During the course of its deliberations on various paras the Committee noticed that the cases pending in the Courts were not being attended to by the Officers responsible. In a number of court cases the Department were found having no knowledge of the facts of the case or some time they were not able to apprise the Committee of the next date of hearing or the stage of the pending cases. The Departments were advised to depute senior officers who happened to be more conversant with the facts of the case who should be entrusted the responsibility of the follow up of the cases. It is likely that more fruitful results would come out.

V. COMPLIANCE OF PUBLIC ACCOUNTS COMMITTEE DIRECTIVES

Immediate action on the directives issued by the Public Accounts Committee from time to time is required

to be taken by the concerned Departments. In a number of cases it was observed that due to non-compliance of Public Accounts Committee's directives the recoveries could not be made in time nor any decision could be taken to write off the outstanding dues. This results in accumulation of work with the Public Accounts Committee. The Department are advised to adhere to the instructions given to them by the Committee from time to time and should make every possible efforts to take timely action.

VII. CARELESSNESS OF THE ADMINISTRATIVE DEPARTMENTS WHILE ISSUING NOGS TO THE RETIRED GOVERNMENT OFFICERS/OFFICIALS.

It was noticed that Administrative Departments invariably issue nogs to the retiring Government Officers/Officials. In a number of cases, it had been observed that Nogs were issued to the retired Government Officers/Officials without properly verifying about the outstanding Draft Paras/Government Dues against them. The Committee felt that due to this negligence attitude of the Department, it has to resort to write-off of the Government dues as recoveries in such cases could not properly be made. The Committee took serious note of the non-compliance of the directives already issued in this behalf.

VII. FINAL SETTLEMENT OF COMPLIANCE PARAS SETTLED CONDITIONALLY.

The Committee observed that the Administrative Departments do not pay proper attention to get the compliance paras as settled finally. In a number of cases, the paras were settled subject to certain condition to be fulfilled by the concerned Departments.

But, unfortunately, the departments do not bother to get these paras finally settled which had to a number of Complications. The Departments are therefore, directed to pay proper attention towards this situation.

VIII. ATTENDING THE PUBLIC ACCOUNTS COMMITTEE BY THE ADMINISTRATIVE DEPARTMENTS - WITHOUT PREPARATION AND HOME WORK.

It has been observed that the Heads, of the Departments often come to the Public Accounts Committee meetings without thorough preparation/home work. Resultantly, the Principle Accounting Officers/Heads of the Departments are sometimes not in a position to reply properly to the queries raised by the Members of the Committee and have to seek the assistance of their Subordinates which is not a welcome gesture. The very object of the Examination of the Accounts is defeated if the responsible offices are blank in information or unable to satisfy the Committee by submitting proper justification and explanation on concerned paras. The Committee expressed its dissatisfaction and advised the Departments to be vigilant.

IX. COMMERCIAL SYSTEM OF ACCOUNTANTING

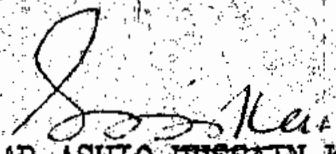
The Committee observed that the books and the ledgers were not kept/maintained according to well recognised commercial system of accounting in some of the Departments due to the lack of knowledge, as this system in Government Agencies was introduced quite at a late stage. The Committee may, however, be apprised of practical difficulties or bottle necks being experienced by them. The system where-so-ever adopted has yielded excellent results. The other Agencies/

Departments should follow suit and should come up with their suggestions to the Committee for their information in the system. Proper accounting system in the backbone of a good administration without which is a mess.

As will be seemed from above, the task can truly be accomplished satisfactorily with the co-operation of the Departments should keep the interest supreme while running the day to day financial administration. The Committee in the end, wishes to place on record its appreciation for the assistance and co-operation extended to it by the Administrative Departments co-operations and agencies. The Director General, Commercial Audit and Director Commercial Audit, Accountant General, Punjab, the Director General, Audit and Accounts (Works), the Finance Department, the Secretary Assembly and his staff in the Public Accounts Committee Section of the Assembly Secretariat without which it would not have been possible for the Committee to complete the examination of the Accounts for the years 1983-84 and 1984-85 and complete and print this exhaustive Report. The Committee also wishes to place on record its appreciation for the co-operation extended to it by Mr. Speaker.

LAHORE:

The May, 1993.


(SARDAR ASHIQ HUSSAIN KHAN GOPANG)
Chairman
Public Accounts Committee-II

Typed by
Haji Alamgir

P_R_E_L_I_M_I_N_A_R_Y

Preliminary examination of the Commercial Accounts of the Government of the Punjab for the year 1983-84 and 1984-85 and the Report of the Auditor General of Pakistan thereon, presented to it in its meetings held on the 19th to 21st December, 1987, in the Tea Room of the Assembly Building, Lahore. - It was attended by the following :-

- | | |
|--|----------------------------------|
| 1) Ch. Khushhal Muhammad Dogar, MPA | Chairman |
| 2) Ch. Abdur Rasheed, MPA | Member |
| 3) Ch. Gul Nawaz Khan Waraich, MPA | Member |
| 4) Ch. Muhammad Azam Cheema, MPA | Member |
| 5) Malik Ghulam Haider Thind, MPA | Member |
| 6) Malik Ghulam Abbas Naswana, MPA | Member |
| 7) Mr. Sarfraz Nawaz, MPA | Member |
| 8) Begum Bushra Rehman, MPA | Member |
| 9) Mian Abdul Haye,
Deputy Secretary,
Provincial Assembly of the Punjab. | Secretary
to the
Committee |

FINANCE DEPARTMENT

- | | |
|---|---------------|
| 10) Ch. Hashmit Ali,
Deputy Secretary. | On invitation |
|---|---------------|

COMMERCIAL AUDIT

- | | |
|--|------|
| 11) Mr. Ijaz Ali D. Pirzada,
Deputy Director. | -do- |
| 12) Mr. Muhammad Ibrahim Rajput,
Audit Officer. | -do- |
| 13) Mr. Abbas Ali Shah,
Audit Officer. | -do- |

The Public Accounts Committee-II conducted Preliminary Examination of the Commercial Accounts of the Government of

the Punjab for the years 1983-84 and 1984-85, decided to call for Working Papers of the concerned departments in respect of the Paras given below :-

AGRICULTURE DEPARTMENT

1983-84 : Para Nos. 7 to 14, 30, 34 to 37, 48 to 52, 53 (The department may inform the Committee whether they have reconciled the figures with the Treasury because Audit Office was not concerned. This comment pertains to Para 53 only). 54 to 55, 62, 66, 80, 83, 92, 94, 104, 106, 108 to 111, 125 to 129, 136, 149, 150, 151, 153, 154, 155 and 165 to 170.

1984-85 : Para Nos. 3, 7 to 20, 42 to 47, 53 to 57, 69 to 75, 81 to 83, 89 to 96, 107 to 109, 115 to 120 and 130 to 136.

LIVESTOCK, DAIRY AND POULTRY DEVELOPMENT DEPARTMENT

1983-84 : Para Nos. 15 to 18, 31, 327 to 329 and 335 to 338.

1984-85 : Para Nos. 24 to 25, 280 to 284 and 296 to 300.

INDUSTRIES AND MINERAL DEVELOPMENT DEPARTMENT

1983-84 : Para Nos. 19 to 21, 30, 206 to 209, 214, 219 to 223, 232 to 237, 246, 247, 248, 252, 262, 263, 264, 265, 271, 272, 278 to 284 and 290 to 294.

1984-85 : Para Nos. 3, 21 to 23, 191 to 195, 205 to 206, 210 to 212, 217 to 221, 226 to 234, 240 to 245 and 251 to 252.

EXCISE AND TAXATION DEPARTMENT

1983-84 : Para Nos. 30, 183 and 184.

1984-85 : Para Nos. 147 to 149.

TRANSPORT DEPARTMENT

1983-84 : Para Nos. 22 to 29 and 358 to 365.

1984-85 : Para Nos. 3, 26 to 33 and 306 to 312.

FORESTRY AND WILDLIFE DEPARTMENT

1983-84 : Para No. 190.

1984-85 : Para Nos. 155 to 156.

IRRIGATION AND POWER DEPARTMENT

1983-84 : Para No. 312

1984-85 : Para Nos. 262 to 268.

HEALTH DEPARTMENT

1983-84 : Nil

1984-85 : Para Nos. 169 to 172 and 181 to 182.

CHAPTER I

AGRICULTURE DEPARTMENT

AGRICULTURE DEPARTMENT

(PUNJAB AGRICULTURAL DEVELOPMENT AND SUPPLIES CORPORATION)

The Committee examined the Accounts of the Punjab Agricultural Development and Supplies Corporation in its meetings held on 14-3-1988, 15-3-1988, 28-3-1988, 29-3-1988, 30-3-1988, 28-4-1991 and 29-4-1991.

1. Para 7 Page 13 of Audit Report On Commercial Accounts for the year 1983-84 - (Wasteful Expenditure of Rs. 11,80,000/-).

14-3-88

The reply of the Department was not relevant to the Audit objection and the Committee desired the Department to explain for giving such a reply. The Department should also fix responsibility on the persons who imported trucks against the advice of the Commercial Secretary (Inspection) in West Germany and one month's time was given for the purpose.

28-4-91

A lengthy discussion took place on this para and the Department was directed to depute a senior officer to hold an inquiry into the matter as to who was responsible for allowing the trucks to be used or change their specification, etc. It was further directed that fact finding inquiry should be completed within two months and a copy after report submitted to the Public Accounts Committee and the Audit. The Audit was asked to scrutinise the inquiry report, when supplied by the Department, and give their comments thereon for consideration of the Committee.

The para was kept pending.

GENERAL REMARKS

14-3-88

The Secretary to Government of the Punjab, Agriculture

Department did not attend the meeting. The Committee desired that a reference might be made to him to know the cause for his absence from the meeting.

15-3-88

The Secretary to Government of the Punjab, Agriculture Department vide his note dated 15-3-1988 informed the Chairman, that he was not in a position to participate in the deliberations on 14-3-1988 due to his meeting with FAO Mission and that he would not be able to attend the meetings even on 15th and 16th March, 1988 as the US AID Mission was to hold discussion with him about various aided projects. He requested the Chairman to excuse his absence from the meetings.

Apart from the above, the Managing Director, Punjab Agricultural Development and Supplies Corporation informed the Chairman that a meeting was going to be held on 16-3-1988 by the Ministry of Food and Agriculture to discuss the revision of incidentals on imported fertilizer and that he was required to attend the said meeting and he requested to excuse his absence from the meeting of the Public Accounts Committee-II scheduled to be held on the said date i.e. 16-3-1988.

In view of the above noted reasons, the Chairman postponed the meetings scheduled for 15th and 16th March, 1988 to consider the Audit Objections relating to the Punjab Agricultural Development and Supplies Corporation and fixed the next meetings on 28th, 29th and 30th March, 1988 for the purpose.

However, the Chairman observed that the meeting of the Committee would be held on 16th March, 1988 to consider the following matters :-

1) Report of Sub Committee pertaining to Para No. 11

Page No. 11 of the Audit Report on Commercial

Accounts for the year 1972-73 in respect of the Agricultural Engineering Workshop.

- 2) Appeal from Mr. M.M. Khan, Managing Director, Co-operative Stores against the recovery of Rs. 25,000/- from him when he was Managing Director, Punjab Live Stock and Dairy Development Board as had been decided by the Committee on 18-11-1987.
2. Para 8 Page 14 of Audit Report On Commercial Accounts for the year 1983-84 - Loss Due to Mis-appropriation of Fertilizer Work Rs. 9,94,869/- - - - - -

14-3-88

The Enquiry Report prepared by the Department should be examined by the Audit and the result thereof given on 15-3-1988 for final decision by the Committee.

28-4-91

The Committee was informed that as a result of departmental inquiry held in 1982-83 the Manager and the Supervisor were dismissed from service and an FIR was lodged with the police but the Criminal Court exonerated the defaulters. The Department had now gone into a civil suit. The Audit insisted upon that a copy of the inquiry report should be supplied to them to which the Department did not pay any heed inspite of various reminders. The Department under took to submit a copy of the inquiry report to Audit. The Audit further requested the Committee that the Department should be directed that a report regarding local purchases, shifting of stores, utilization of POL, etc, should also be supplied to them on the direction of the Committee, the Department promised to do the needful.

The para was kept pending.

3. Para 9 Page 15 of Audit Report On Commercial Accounts for the year 1983-84 - Thefts Mis-appropriation and Shortage of Fertilizer to the Extent of Rs. 6,00,229/-.

14-3-88

The Audit should examine the whole position including the amounts recovered and the amounts to be recovered and give its report on 15-3-1988 for final decision.

28-4-91

The Committee directed that a note should be submitted to them whether a preliminary inquiry was held to fix responsibility against the defaulting officers/officials and if such an inquiry was held, then, a copy thereof should be supplied to the Public Accounts Committee. In case no inquiry was held, then it should be done now under intimation to the Committee and Audit expeditiously.

The Committee desired that the Department should complete action/inquiries regarding Audit observations for the year 1988-89. Irrespective of the fact whether these observations had been presented before the Provincial Assembly of the Punjab, yet the Department should comply with the above direction. So far as Audit objections for the year 1987-88 were concerned, these had been presented to the Assembly and the Department should complete the inquiries/departmental actions before draft paras pertaining to this year came under consideration of the Public Accounts Committee. Copies of inquiries and departmental action should be submitted to the Public Accounts Committee and the Audit for scrutiny.

4. Para 10 Page 16 of Audit Report On Commercial Accounts for the year 1983-84 - Loss of Rs. 5,62,800/- Due to Receipt of Damaged and under Weight Fertilizer Bags.

14-3-88

The para was kept pending with the direction to the

Department to indicate the dates on which the fertilizer bags were received and the dates on which the report about their being under-weight was made by the officers/officials concerned.

28-3-88

This para was pending on 14-3-1988. It was again considered and kept pending with the direction to the Department to supply full report in respect of damaged and underweight Fertilizer Bags to the Audit for examination and comments.

28-4-91

The Committee desired that a complete note containing the date-wise details of despatches RR wise, and the period when the rebagging was done, should be supplied to it and the Audit. The Department promised to comply with the directive of the Committee.

The para was kept pending.

5. Para 11 Page 17 of Audit Report On Commercial Accounts for the year 1983-84 - Wastage of Fertilizer Valuing Rs. 5,54,841/-

28-3-88

The para was kept pending with the direction to the Department to supply full report in respect of wastage of fertilizer to the Audit for examination and comments.

28-4-91

The Department stated that the actual loss amounted to Rs. 1,37,095/- and not Rs. 5,54,841/- as calculated by the Audit. As per direction of the Committee, the Department promised to complete financial inquiries, departmental ~~action~~ actions and fact-finding scrutiny on all the draft paras pertaining to 1983-84 by the end of July, 1991. The Department

was also directed to hold a Meeting with the Audit in the first week of August, 1991 to thrash out any lacunae. Later on, the Public Accounts Committee will hold a meeting in the regard, in the second week of August, 1991.

6. Para 12 Page 17 of Audit Report On Commercial Accounts for the year 1983-84 - Pilferage of Fertilizer Worth Rs. 18,203/-.

28-3-88

The Department stated that the first enquiry report being unsatisfactory, another enquiry was being held into the matter and fresh enquiry report would be submitted for examination by the Audit. The para was pended with the direction to the Department to supply fresh enquiry report within 4 weeks.

28-4-91

The Committee was informed that a fresh inquiry against Mr. Ghulam Jilani, Bulk Supervisor, for the shortage of Rs. 13,600/- was underway and it would be completed expeditiously. On completion, a copy of the inquiry report would be submitted to Audit.

The para was kept pending.

7. Para 149 Page 193 of Audit Report On Commercial Accounts for the year 1983-84 - Financial Position of the Corporation.

28-3-88

The para was deleted as the comments by Audit had been given against Para No. 133 at Page 152 of 1984-85 Accounts.

8. Para 150, Page 193 of Audit Report On Commercial Accounts for the year 1983-84 - Current Assets Valuing of Rs. 598.65 Million.

28-3-88

The para was deleted, because the Audit comments had

been given against a similar para in the Accounts for the year 1984-85.

8. Para 151 Page 194 of Audit Report on Commercial Accounts for the year 1983-84 - 6,90,000 Empty Gunny Bags Value of Rs. 2,312 Million.

28-3-88

The para was dropped as recommended by Audit.

9. Para 152 Page 194 of Audit Report On Commercial Accounts for the year 1983-84 - Yearwise Breakup of Old Debts.

28-3-88

The para was kept pending as the Department was asked to supply the list of persons who were given loans and also to intimate the position of the recoveries of loans made from them.

28-4-91

The Committee decided to discuss this para in their meeting to be held on 29-4-1991.

10. Para 153 Page 194 of Audit Report On Commercial Accounts for the year 1983-84 - Loans and Advances.

28-3-88

The para was dropped as recommended by Audit.

11. Para 154 Page 194 of Audit Report On Commercial Accounts for the year 1983-84 - Trading and Operating Results of Corporation.

28-3-88

The para was deleted as Audit comments had been given against Para No. 130 of 1984-85 Accounts.

12. Para 155 Page 195 of Audit Report On Commercial Accounts for the year 1983-84 - Price of Imported Urea.

28-3-88

The para was dropped as recommended by Audit.

13. Para 9 Page 14 of Audit Report On Commercial Accounts for the year 1984-85 - Rebagging Loss of Rs. 1.488 Million.

29-3-88

The para was pended by the Committee with the direction to the Department to submit a final report within 60 days in respect of the loss of Rs. 1.488 million sustained due to sorting out the useable bags from the rain affected stock and its subsequent rebagging into standard weight (50 kg) during 1981-82 for consideration and decision.

29-4-91

The Corporation informed the Committee that in compliance with the direction of Public Accounts Committee to hold

inquiries and fix responsibility in each case, they had prepared a self-contained questionnaire to obtain minutes details. The Committee, however, observed that in future the Department should provide full information in respect of each para.

The para was kept pending with the remarks that the Department may hold inquiry and intimate the results to the Committee at an early date.

14. Para 10 Page 15 of Audit Report On Commercial Accounts for the year 1984-85 - Non Disposal of Old Fertilizers Valuing Rs. 12,98,688/-.

30-3-88

The Department informed the Committee that there remained some loss out of Rs. 12,98,688/- which was to be got written off by the competent authority and requested that the para might be kept pending till the finalization of the matter. On the request of the Department the para was pending with the direction to the Department to submit final

report in this behalf to be Audit for proper check before its submission to the Committee.

29-4-91

The Corporation was directed to take immediate action for write off.

The para was kept pending.

15. Para 11 Page 16 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 4,24,732/- on Accounts of Shortage of Fertilizer. -----

30-3-88

The para was kept pending. The Department was asked to produce at the next meeting of the Committee, all the relevant papers/record relating to the recovery of the loss for the officials concerned on accounts of the shortage of fertilizers. The Department should also justify the delay in the finalization of the matter.

29-4-91

The Corporation was directed to hold inquiry and fix responsibility about the loss of Rs. 4,24,732/- on account of shortage of fertilizer. The Corporation was also directed to:-

- a) Pursue the case pending with police and intimate result to the Public Accounts Committee.
- b) finalize departmental inquiry at an early date.
- c) make good the loss from the officials/officers held responsible, and
- d) Investigate the circumstances which led to the shortage and the reasons for the shortage remaining undetected until transfer of employees.

16. Para 12 Page 16 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 3,67,091/- Due to Damage of Fertilizer and Purchase of Substandard Pesticides.

30-3-88

Parts (i), (ii)(a) and (ii)(b) of the reply of the Department relating to the loss of fertilizer of Rs. 70,962/- at Sialkot, Rs. 6,972/- at Jauharabad and Rs. 51,786/- at Bhalwal respectively were kept pending for further verification by the Audit. The Department was also asked to produce the record of rainfall during the periods as mentioned in the said paras.

Parts (iii) and (iv) the reply of the Department were accepted as recommended by Audit.

29-4-91

The para was kept pending with the following observations:-

- a) The Corporation to investigate the reasons of long storage damage to stock of fertilizer and purchase of substandard pesticides with a view to fix responsibility on the persons at fault.
- b) dispose of fertilizer and pesticides with approval of the competent authority as early as possible to avoid deterioration.
- c) get the loss of recovered for the officials held responsible or move for write off.
- d) make the godown owners responsible for keeping their godowns leak proof by incorporating necessary clauses in their contract agreement.

17. Para 13 Page 17 of Audit Report On Commercial Accounts for the year 1984 - 85 - Loss of Rs. 3,02,637/- on Account of Damage and Shortage of Fertilizer.

30-3-88

The para was kept pending for verification by Audit.

29-4-91

The para was kept pending with the observation that the incidentals would be checked by the Audit.

18. Para 14 Page 18 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 2,27,020/- Due to Shortage of Fertilizer Occured in Drying Crushing and Rebaggging. -----

30-3-88

The para was kept pending on the request of the Department for re-examination and submission of final report to the Audit in this behalf.

29-4-91

The para was kept pending and the Corporation was directed to furnish final report to the Audit for re-examination of the case.

19. Para 15 Page 18 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 65,461/- Due to Damage of Fertilizer. -----

30-3-88

The Department desired to re-examine the whole position in respect of the loss of Rs. 65,461/- due to damage of fertilizer. The Committee acceded to the request and fixed 90 days period for the submission of final report in this behalf.

The para was kept pending.

29-4-91

The para was kept pending with the following observations:-

- a) The Corporation to fix responsibility for non-observance of procedure laid down in clause 155 of accounting manual.
- b) Investigate the case to pin point the real cases of damage and to determine individual responsibility.
- c) to intimate the Public Accounts Committee after making good the loss from the persons at fault, at an early date.

20. Para 16 Page 19 of Audit Report On Commercial Accounts for the year 1984-85 - Non Disposal of Pesticides
Rs. 27,700/-. -----

30-3-88

The para was kept pending as the Department had desired to give fresh reply in respect thereof.

29-4-91

The explanation of the Department was accepted and the para was dropped.

21. Para 17 Page 20 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 26,213/- Due to
Sieving of Wheat Seed. -----

30-3-88

The para was kept pending on the request of the Department
The Department was directed to give final reply in 90 days' time.

29-4-91

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

22. Para 18 Page 20 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 25,105/- Due to Credit Sale of Pesticides to Private Persons. _____

30-3-88

The para was dropped on the recommendation of the Audit.

23. Para 19 Page 21 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 17,689/- on Account of Mis-Appropriation of Fertilizer. _____

30-3-88

The para was kept pending as the Department had desired to submit final report in respect thereof.

24. Para 20 Page 21 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 7,705/- Due to Re - Bagging of Fertilizer. _____

30-3-88

The para was kept pending as the Department had desired to give final report in respect thereof.

25. Para 130 Page 151 of Audit Report On Commercial Accounts for the year 1984-85 - Working Results. _____

30-3-88

The para was kept pending. The Department was directed to take up the matter at higher level with Federal Government for the revision of incidental charges and the re-imbursement of past losses.

26. Para 131 Page 152 of Audit Report On Commercial Accounts for the year 1984-85 - Closing Balance. _____

30-3-88

The para was dropped on the recommendation of the Audit.

27. Para 132 Page 152 of Audit Report On Commercial Accounts for the year 1984-85 - The Off-Take of Fertilizer. _____

30-3-88

The para was dropped as recommended by Audit. However,

the Department was advised that Administrative and storage costs needed to be controlled.

28. Para 133 Page 152 of Audit Report On Commercial Accounts for the year 1984-85 - Current Liabilities of the Corporation. -----

30-3-88

The para was dropped as recommended by Audit. However, the Department was asked to pursue the case with the Government vigorously for the re-imburement of losses.

29. Para 134 Page 152 of Audit Report On Commercial Accounts for the year 1984-85 - Sundry Debtors. -----

30-3-88

The para was kept pending for verification by Audit.

30. Para 135 Page 152 of Audit Report On Commercial Accounts for the year 1984-85 - Sales of Fertilizer. -----

30-3-88

The para was kept pending for verification by Audit.

31. Para 136 Page 152 of Audit Report On Commercial Accounts for the year 1984-85 - No Physical Verification of Stock Stores. -----

30-3-88

The para was settled subject to verification by Audit.

GENERAL DIRECTIVE

28-4-91

The Additional Secretary, Agriculture Department, informed the Committee that the Administrative Secretary could

not attend the meeting of the Public Accounts Committee - II due to some pre-occupation and, therefore, he was representing the Department on his behalf. The Committee were of the view that this was becoming a practice that the Administrative Heads did not attend the meetings of the Public Accounts Committee and were giving secondary importance to its business although it represented the most important forum of the Province. The Committee did not appreciate this trend.

AGRICULTURAL ENGINEERING WORKSHOPS

The Committee examined the Accounts of the Agricultural Engineering Workshops in its meetings held on 18-7-1989, 19-7-1989 and 20-7-1989.

1. Para 11 Page 11 of Audit Report for the year 1972-73 - Loss Due to Short Receipt of Pipe Worth Rs. 5,30,674/-.

16-3-88

The Committee considered and accepted the report of the Sub Committee No.I of Public Accounts Committee-II, regarding the loss due to short receipt of Pipe worth Rs. 5,30,674/-. The para was dropped with the following observations as made by the Sub Committee:-

The shortages were facilitated due to non-inclusion of such clauses in the contract agreement which could have guaranteed the correct delivery of pipes at consignees ends. Had the above contract been drafted to ensure the correct delivery of pipes at the consignees ends by fixing responsibility of such leakages/shortages, misdespatches etc, the inconveniences/botheration caused later on and expenses incurred thereafter, on the detailed scrutiny of this para could be saved. The Administrative Department may be directed to include such clause of terms and conditions in any contract of carriage which is made thereafter in future.

1983 - 84

2. Para 7 Page 13 of Audit Report On Commercial Accounts for the year 1983-84 - Wasteful Expenditure of Rs. 11,80,000/-.

18-7-89

The Committee disussed the para and decided that a

decision thereon.

20-7-89

This para relates to Punjab Agricultural Development and Supplies Corporation and was discussed in the meeting held on 18-7-1989.

The Public Accounts Committee-II further directed the Administrative Department to submit a detailed report about this para involving a sum to the tune of Rs. 11,80,000/-.

3. Para 13 Page 18 of Audit Report On Commercial Accounts for the year 1983-84 - Non-recovery of Cost of Casing Pipe Rs. 81,000/-

18-7-89

The amount of Rs. 81,000/- have been recovered by the Department and verified by the Audit.

As recommended by the Audit, the para was dropped.

4. Para 14 Page 18 of Audit Report On Commercial Accounts for the year 1983-84 - Non-recovery of Rs. 56,794/- from ex-employees on Account of Mis-Appropriation/Pilferage of POL and Stores.

18-7-89

10. LAYYAH WORKSHOP - Rs. 18,838/-

Out of the recoverable amount of Rs. 18,838/- a sum of Rs. 15,321/- have since been recovered from the defaulting official and verified by Audit.

The Department stated that the remaining amount of Rs. 3,516/54 has also been recovered from the legal heirs of the defaulting official but it remains to be verified by Audit.

The Committee directed that subject to verification by Audit, the para be dropped.

ii) RAWALPINDI WORKSHOP - Rs. 15,975/-.

Out of the recoverable amount of Rs. 15,975/- a sum of Rs. 2,157/- have been recovered and verified by Audit.

As for the remaining amount of Rs. 13,818/- the case was subjudice in the High Court. Next date of hearing is yet to be announced by the High Court.

The Public Accounts Committee-II directed the Department to pursue the case in the Court vigorously and report the progress to the Public Accounts Committee in its next meeting.

iii) RAWALPINDI WORKSHOP - Rs. 21,981/-.

The Department stated that after through scrutiny it was found that the recoverable amount comes to Rs. 6,212/54 which has since been recovered and verified by Audit as under :-

1. Mr. Abdul Rehman, Operator	-	Rs. 2,787-26
2. Mr. Zaman Khan, Operator	-	Rs. 3,425-28
		<u>Rs. 6,212-54</u>

The Committee directed that in the light of suggestions of the Audit, remedial measures should immediately be taken to prevent recurrence of such cases in future in order to ensure that no misappropriation takes place.

With the above observation, the Committee decided to drop the para as recommended by the Audit.

5. Para 30 Page 31-32 of Audit Report On Commercial Accounts for the year 1983-84 - Non-reconciliation with Bank/Treasuries, Absence of Proper Procedure for Maintenance of Accounts. -----

18-7-89

The para was discussed.

The Committee noted that inspite of being a commercial organization, the Department was not maintaining its accounts according to the recognised accounting practices with the result that a clear cut picture of its accounts cannot be ascertained. Other aspects of its working also needed considerable improvement through study. The Committee, therefore, decided as and when conviend. It was felt that the matter needed to form a Sub Committee to look into the entire working of the Department and suggest ways and means for streamlining and improvement of its functioning. The Members of the Sub Committee will be as under :-

- | | |
|----------------------------------|----------|
| 1. Mian Manzoor Ahmad Mohal, MPA | Convenor |
| 2. Mr. Aman Ullah Khan, MPA | Member |
| 3. Ch. Muhammad Akram, MPA | Member |

Finance Department and the Audit were requested to depute their representatives to attend the meeting of the Sub - Committee.

6. Para 34 Page 60 of Audit Report On Commercial Accounts for the year 1983-84 - Working Results of Bahawalpur Division.
-

18-7-89.

The para was discussed at length.

The Committee was of the view that although there were practical difficulties in the functioning of the organization, the Department should improve its working and make efforts to run it on purely commercial basis so that the unit becomes self-sustaining.

With the above observation, the Committee decided to drop the para as recommended by the Audit.

7. Para 34 Page 60 of Audit Report On Commercial Accounts
for the year 1983-84 - Working Results. - - - - -

19-7-89

The para was discussed in detail and the Committee noted that the machinery was not being utilized in full. The Committee desired to have a comprehensive note as to what was the arrangement for the purchase of spare parts as also the tubewells and pumps.

Regarding the disposal of stores, the Department explained that these stores were being disposed of by the Departmental Committee having been constituted by the Secretary Agriculture in every Division. A survey report of the useless machinery and scrap was prepared by the District Engineer and forwarded to the Director and after his approval final date for auction was fixed by the Committee. The useless machinery and scrap was auctioned through advertisement both in English and Urdu Newspapers. The Committee was pleased to examine the specimens of these advertisements and directed that certificate for full boring depth of the tubewell should be certified by the senior officers, so that its authenticity could be ensured.

As regards the purchases, the Department explained that the capital items (machinery) were purchased through the Agricultural Purchase Cell and day-to-day purchases were made by the District/Assistant Engineer who had the Budget of 2½ to 3 lacs rupees for the purchase of spare parts. Purchases of higher amounts were recommended by the District Engineer and forwarded to Departmental Purchase Committee.

The Committee observed that unnecessary expenditure was being incurred on the repairs and maintenance of Bulldozers which approximately amounted to half of the price of one Bulldozer. The Department explained that from zero hour to

11000 hours calculations were made as to what expenditure would be involved in the running of every Bulldozer and that cost analysis of machinery was prepared every month. The Committee directed that uneconomic machinery should be disposed of instead of spending large amount on its repairs.

The Department was directed to work out the market price of peter pumps with accessories as against the rate at which the Department was supplying them to the zamindars. It was also directed that calculations should be made to the effect whether the utility of these peter pumps was commensurate with the expenditure incurred by the Department.

The Committee desired that (1) Division-wise list for the year 1983-84, of Bulldozers alongwith the reasons of their profit and loss (2) actual working of each Bulldozer and the target of work fixed for it by the Department and (3) operational efficiency; should be supplied to them. The Committee also desired to have :-

- (1) Market price of boring.
- (2) What was the Departmental rate.
- (3) Brief history of the machinery.
- (4) Total income.

MISCELLANEOUS INCOME

The Department was directed to give details of the disposed of items per Division as well as consolidated.

SUBSIDY

The Department was directed to give details of every kind of subsidy received from various sources alongwith a separate note showing the charges at which the machinery was given on commercial basis.

The Committee also desired to have :-

- (1) Total hours of the work done by every Bulldozer in Dera Ghazi Khan.
- (2) Amount incurred on every Bulldozer for maintenance and repairs.
- (3) Pay, TA, DA etc drawn by the Officers/officials.
- (4) Total cost of mobile oil.
- (5) Number of employees.
- (6) Depreciation due to wear and tear of machinery.

The Department was directed to supply the above details to Public Accounts Committee-II by 28th September, 1989, positively, irrespective of the fact whether the Public Accounts Committee-II was in session or not.

The para was kept pending.

8. Para 35 Page 61 of Audit Report On Commercial Accounts for the year 1983-84 - Working Results of the Stores/Spares.
-

19-7-89

The Department was directed to devise fool-proof proforma regarding the inter-district and inter-divisional transfer of stores/spares without any flaw. The Committee did not feel satisfied with the present system of confirmation of receipt/transfer of stores which appear to be faulty.

The revised proforma should be submitted to the Public Accounts Committee-II by 28th September, 1989, positively for the approval of the Public Accounts Committee-II.

9. Para 36 Page 61 of Audit Report On Commercial Accounts for the year 1983-84 - Outstanding Recovery from Government Departments.

19-7-89

The Committee directed that the Department should :-

- 1) Satisfy the Public Accounts Committee-II to the effect that the Bulldozers were actually used for emergency work during floods, Indo-Pak War and such other national calamities ;
- 2) supply a statement containing list of recoveries to be made from various Provincial/Central Departments with clear cut evidence that those Department did avail of the service of the Bulldozers, on hire charge basis so that effective methods could be evolved for prompt recoveries.

The Audit was directed that they should depute some officer to visit Bahawalpur Division in order to verify that the amount was really outstanding against various Departments and that genuine efforts had been made by the Department for its recovery.

The para was kept pending.

20-7-89

The Department was directed to confirm the amounts recoverable from the Government Departments on account of hire charges of Bulldozers.

The para was kept pending

10. Para 37 Page 61 of Audit Report On Commercial Accounts for the year 1983-84 - Amounts of Rs. 1,53,690/- and Rs. 1,74,489/- were Outstanding against Zamindars.

20-7-89

The Department was asked to confirm the total amount

recoverable from zamindars on account of hire charges of Bulldozers.

The para was kept pending.

11. Para 48 Page 76 of Audit Report On Commercial Accounts for the year 1983-84 - Sustaining Losses to the Extent of Rs. 0.941 Million.

20-7-89

The Department was asked to supply the following information in respect of the financial years 1970-71, 1982-83 and 1985-86 separately :-

- i) Names of officers who remained in-charge of the Agricultural Engineering Workshop, Dera Ghazi Khan.
- ii) Brief history of Bulldozers including their working condition.
- iii) Receipt and consumption of spares/stores, etc., and
- iv) Profit and loss statements.

The para was kept pending.

12. Para 49 Page 76 of Audit Report On Commercial Accounts for the year 1983-84 - Receipt and Transfer of Stores/ Spares Without Confirmation.

20-7-89

- i) The Department has advised to ensure that transfer of stores was effected from Division to Division only and not from a Division to District.
- ii) The Department was also asked to provide record in respect of the details of the stores account for the year 1986-87 to Audit for confirmation and the Audit would report the result to the Committee.

The para was kept pending.

13. Para 50 Page 76 of Audit Report On Commercial Accounts
for the year 1983-84 - Necessity of Provision of Expenses.

20-7-89

Explanation of the Department was accepted. The record showing Audit and accounts charges, leave salary and pensionary charges would be verified by Audit.

The para was kept pending.

14. Para 51 Page 77 of Audit Report On Commercial Accounts
for the year 1983-84 - Requirement for Annual Physical
Verification Stores and Stocks.

20-7-89

The para 51 was dropped.

15. Para 52 Page 77 of Audit Report On Commercial Accounts
for the year 1983-84 - Assets Register were not Maintained
Properly. - - - - -

20-7-89

The Department was directed to maintain a register for the assets machinery (heavy and light) and to produce to the Audit for verification.

The para was kept pending.

16. Para 53 Page 77 of Audit Report On Commercial Accounts
for the year 1983-84 - Reconciliation of Withdrawals/
Remittances Into Treasury. - - - - -

20-7-89

- 1) The Department was directed to produce the statements pertaining to income/remittances, into and withdrawals from the treasury to the Audit for verification.
- 11) The Department was also asked to present reconciliation report for the year 1987-88 to the Committee.

The para was kept pending.

17. Para 54 Page 77 of Audit Report On Commercial Accounts for the year 1983-84 - Income of Rs. 1,120 Million Without Proper Justification.

20-7-89

The Department was directed to delete from the accounts the figures of income derived from the services rendered to zamindars for the schemes under the ADP and show the said figures separately upto 1987-88 and to produce the relevant record to Audit for verification.

The para was kept pending.

18. Para 55 Page 77 of Audit Report On Commercial Accounts for the year 1983-84 - Unserviceable Stores Worth Rs. 1,96,034/-. -----

20-7-89

The Department was directed to supply the details of the disposed of items of stores duly verified by Audit.

The para was kept pending.

19. Para 62 Page 93 of Audit Report On Commercial Accounts for for the year 1983-84 - Losses to the Workshop. -----

20-7-89

The Department was directed to provide profit and loss report for 1983-84 alongwith the brief history thereof for examination by Committee.

The para was kept pending.

20. Para 66 Page 94 of Audit Report On Commercial Accounts for the year 1983-84 - Withdrawals from and Remittances Into Treasury.

20-7-89

The Department was directed to produce to the reconciliation statement in respect of withdrawals from and remittances into the recovery to the Audit for verification.

The para was kept pending.

21. Para 80 Page 111 of Audit Report On Commercial Accounts for the year 1983-84 - Requirement of Provisions for Leave Salary and Pensionary Charges on Actual Basis.

20-7-89

The Department was directed to correct the record in respect of the provisions for leave salary and pensioning charges in accordance with the advice of the Audit and to provide the same to the Audit for verification.

The para was kept pending.

22. Para 83 Page 111 of Audit Report On Commercial Accounts for the year 1983-84 - Need for weeding out the Obsolete/Unserviceable Stores.

20-7-89

The para was kept pending with the direction to the Department for the supply of the following information in respect of the stores etc for the years from 1978-79 to 1988-89, yearwise :-

- i) Opening balance.
- ii) Total receipt.
- iii) Total consumption.
- iv) Balance.

The para was kept pending.

23. Para 92 Page 129 of Audit Report On Commercial Accounts for the year 1983-84 - Transfer of Stores Without Proper Details. -----

29-7-89

The Department explained the due to typographical error the amount was shown greater than the actual one. The revised figure now stood at Rs. 1,60,234/- out of which Rs. 35,996/37 had been recovered leaving a balance of Rs. 1,24,238/-. The Committee directed that the Department should make expeditious

efforts to recover the balance amount.

The para was kept pending.

24. Para 94 Page 129 of Audit Report On Commercial Accounts for the year 1983-84 - Non-reconciliation of Opening Balance of Government Capital Account. - - - - -

29-7-89

The Audit was directed to verify the transfer of assets, and progress in this respect may be reported at the next meeting of the Public Accounts Committee-II.

The para was kept pending.

25. Para 104 Page 144 of Audit Report On Commercial Accounts for the year 1983-84 - Confirmation of Balances of Assets.

29-7-89

The receipt of assets should be verified by Audit before the next meeting of the Public Accounts Committee-II.

The para was kept pending.

26. Para 106 Page 144 of Audit Report On Commercial Accounts for the year 1983-84 - Recovery of Loans. - - - - -

29-7-89

The Audit was directed to verify the reduction in amount and the recoveries made by the Department.

The Committee directed that the Department should make positive efforts to recover the balance amount from the agriculturists concerned.

The para was kept pending.

27. Para 108 Page 144 of Audit Report On Commercial Accounts for the year 1983-84 - Stores/Spares Transferred to Other Divisions. - - - - -

29-7-89

Confirmation of transfer of stores from other Divisions

having been verified by Audit, the para was settled.

28. Para 109 Page 145 of Audit Report On Commercial Accounts for the year 1983-84 - Segregation/Disposal Absolute Stores/Spares.

29-7-89

The Committee observed that some of the explanation given by the Department were found contrary to the facts which was not a healthy attitude and directed that the Department should be careful in future and should not try to conceal facts.

Audit was directed to verify the annual consumption of spares per annum by the Department.

The para was kept pending.

29. Para 110 Page 145 of Audit Report On Commercial Accounts for the year 1983-84 - Stock verification of the Stores/Spares.

29-7-89

The para was settled as stock verification of stores at this stage was not possible. The Committee directed that, in future, verification of stock should be conducted regularly.

30. Para 111 Page 145 of Audit Report On Commercial Accounts for the year 1983-84 - Non-reconciliation of Withdrawals from Remittances Into Treasury.

29-7-89

The para was settled as per recommendations of Audit.

31. Para 125 Page 162 of Audit Report On Commercial Accounts for the year 1983-84 - Not Less of Rs. 8,30,502/- Against the Net Loss of Rs. 8,33,945/-.

29-7-89

In order to know the reasons for losses, the Committee desired to have a statement showing purchases made during June 89, pertaining to Multan Region duly signed by the competent authority alongwith relevant record, copies of

quotations, copies of vouchers and monthly expenditure for year 1988-89.

The para was kept pending.

32. Para 126 Page 162 of Audit Report On Commercial Accounts for the year 1983-84 - Non-realisation of the Amount of Working Hours Two Bulldozers for 1864 Hours. - - - - -

29-7-89

The Committee directed that the Director General should have the matter inquired into and submit a brief history of the case to the Public Accounts Committee-II by the end of September, 1989.

The para was kept pending.

33. Para 127 Page 162 of Audit Report On Commercial Accounts for the year 1983-84 - Improper Depreciation of Machinery.

29-7-89

The Department was directed that adjustment of unauthorised depreciation should be rectified in the accounts for the year 1987-88 and got verified by Audit.

Subject to verification by Audit, the para was settled.

34. Para 128 Page 162 of Audit Report On Commercial Accounts for the year 1983-84 - Improper Maintenance of Accounts Recorded. - - - - -

29-7-89

The Committee desired that the accounts should be continued to be prepared on commercial pattern by the Department.

Subject to the above observation, the para was settled.

35. Para 129 Page 162 of Audit Report On Commercial Accounts for the year 1983-84 - Improper Adjustment of Bills.

29-7-89

The Department informed the Committee that they had obtained confirmation of the transaction of stores by the



recipients.

Subject to verification by Audit, the para was settled.

36. Para 136 Page 177 of Audit Report On Commercial Accounts for the year 1983-84 - Non-recovery of Sundry Debtors Government Dues.
-

29-7-89

It was explained that out of the total amount of Rs. 3,92,000/-, an amount of Rs. 1,36,841/- had been recovered leaving a balance of about Rs. 2,55,164/-.

The Committee directed that a list of zamindars against whom recovery was outstanding alongwith the amount due should be provided to the Public Accounts Committee-II and efforts should be made to recovery the outstanding balance.

The para was kept pending.

1984 - 85

37. Para 3 Page 5 of Audit Report On Commercial Accounts for the year 1984-85 - Scope of the Compilation.
-

29-7-89

As accounts for the year 1983-84 and 1984-85 had been included in the commercial accounts of 1986-87, the para was dropped from here.

38. Para 7 Page 13 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 50,289/- Due to Shortage of Diesel.
-

29-7-89

The Committee directed that reduction in the amount as well as the recovery of Rs. 22,111/- should be got verified by Audit and efforts should be made to recover the balance amount expeditiously.

The para was kept pending.

39. Para 8 Page 13 of Audit Report On Commercial Accounts for the year 1984-85 - Infructious Expenditure of Rs. 11,823/- Incurred on Overhauling of Drilling Plant.

29-7-89

Explanation of the Department was found to be satisfactory and the para was settled.

40. Para 42 Page 42 of Audit Report On Commercial Accounts for the year 1984-85 - Stores Worth Rs. 4,875/- Million and Rs. 0.248 Million.

29-7-89

Explanation of the Department was found to be satisfactory and the para was settled.

41. Para 43 Page 43 of Audit Report On Commercial Accounts for the year 1984-85 - A Shortage of P.O.L. - - - - -

29-7-89

The Committee took a serious note of the situation regarding recovery position and directed that the Revenue Authorities should be approached by the Department to recover the amount positively and progress reported.

The para was kept pending.

42. Para 44 Page 43 of Audit Report On Commercial Accounts for the year 1984-85 - Non-Annual Physical Verification of Stores and Spares. - - - - -

29-7-89

The Department was directed to ensure compliance of the observations of the Audit.

Subject to the above observations, the para was settled.

43. Para 45 Page 45 of Audit Report On Commercial Accounts for the year 1984-85 - Non-reconciliation of Withdrawals from Or Remittances Into Treasury. - - - - -

29-7-89

Explanation of the Department was accepted and the

para was settled.

44. Para 46 Page 43 of Audit Report On Commercial Accounts for the year 1984-85 - Improper Maintenance of Assets Register. -----

29-7-89

Explanation of the Department was accepted and the para was settled.

45. Para 47 Page 43 of Audit Report On Commercial Accounts for the year 1984-85 - Non-maintenance the Books of Accounts On Commercial Pattern. -----

29-7-89

The Audit and the Department should sit together for the revision of format of accounts so that it could be made more use from the point of view of commercial pattern.

46. Para 53 Page 59 of Audit Report On Commercial Accounts for the year 1984-85 - Working Results of the Workshop for the 1984-85. -----

30-7-89

The Department explained the working results of the Agricultural Engineering Workshop, Faisalabad Division as detailed in the document. The Department explained that un-serviceable Bulldozers were also accounted for which depicted loss in the result from the point of view of the Commercial System of Accounts. All such material and vehicular was put to auction to come to viable results.

The Committee directed that in future the Department should be very careful and make earnest efforts in achieving the budgetary targets, and avoid losses as far as possible to become self-sufficient.

The Committee was also of the view that as one of the reasons for negative financial picture was over-staffing, it is desirable that vacancies caused by the retirement of various

officials should not be filled in. This would help the organization in reducing its financial burden.

Subject to the above observations, the para was dropped.

47. Para 54 Page 60 of Audit Report On Commercial Accounts
for the year 1984-85 - Increase of Loss.

30-7-89

The Department explained the working results of the Agricultural Engineering Workshop, Faisalabad Division as detailed in the document. The Department explained that un-serviceable Bulldozers were also accounted for which depicted loss in the result from the point of view of the Commercial System of Accounts. All such merrtical and vehical was put to auction to come to viable results.

The Committee directed that in future the Department should be very careful and make earnest efforts in achieving the budgetary targets, and avoid loses as far as possible to become self-sufficient.

The Committee was also of the view that as one of the reasons for negative financial picture was over-staffing, it is desirable that vacancies caused by the retirement of various officials should not be filled in. This would help the organization in reducing its financial burden.

Subject to the above observations, the para was dropped.

48. Para 55 Page 60 of Audit Report On Commercial Accounts
for the year 1984-85 - Non-recovery of Sundry Debtors.

30-7-89

The Department stated that an amount of Rs. 41,617/- has been recovered from the persons concerned. Efforts for the recovery of balance amount were being made.

The Committee directed that the amount recovered should

be got verified from the Audit and vigorous efforts should be made to recover the outstanding amount expeditiously.

The para was kept pending.

49. Para 56 Page 60 of Audit Report On Commercial Accounts for the year 1984-85 - Non Production of Relevant Accounts Record in Respect of Assets/Stores.

30-7-89

The Department reported that assets register has since been completed.

The Public Accounts Committee-II directed that the assets register should be got verified from Audit. Further, the confirmation of stores transferred to other Divisions should also be obtained, completed and got verified from the Audit by the end of September, 1989.

The para was kept pending.

50. Para 57 Page 60 of Audit Report On Commercial Accounts for the year 1984-85 - Improper Maintenance of Accounts Record.

30-7-89

The Department was directed that as prevalent policy of the Government the accounts should continue to be prepared in accordance with commercial accounting practices.

The Committee agreed with the Department to take up with the Finance Department regarding the sanction of the posts of commercial accountants to facilitate the Department prepare its accounts on commercial basis. The representative of the Finance Department promised that it would reconsider the proposal sympathetically.

The Finance Department however wanted an explanation as to why the posts of accountants remained vacant for six years which were finally abolished by the Finance Department on a

reference by the Department for upgrading the same, as their appeared no justification for keeping the posts vacant in case they were essentially required for smooth running of the Department on the pattern of Commercial Accounting System.

51. Para 69 Page 75 of Audit Report On Commercial Accounts for the year 1984-85 - Working Results of Division.

30-7-89

The Department stated that the losses were due to the fact that unserviceable machinery and stores were also included in the targets. If only the serviceable Bulldozers would have been taken into account while fixing the targets, the results were bound to be otherwise. This was also due to the fact that at that time the accounts were not being prepared on commercial basis.

The Department further stated that now they have started disposing off the unserviceable stores and Bulldozers and the situation will improve considerably.

The Committee directed that the Department should be careful in the maintenance of accounts which should be on commercial basis.

The Public Accounts Committee-II observed that the Sub - Committee formed to examine the working of the Department and suggesting ways and means for streamlining and improvement of its functions, should also take into account the observations of the Audit on the above para and suggest remedial measures.

With the above observations the para was settled.

52. Para 70 Page 76 of Audit Report On Commercial Accounts for the year 1984-85 - Improper Receipt/Issue of Stores.

30-7-89

As recommended by the Audit, the para was dropped.

However, the Public Accounts Committee-II observed that as suggested under Para No. 69 above, the Sub Committee of the Public Accounts Committee-II should look into the observations of the Audit under this para also and recommend practical steps to improve the working of the Department.

53. Para 71 Page 76 of Audit Report On Commercial Accounts for the year 1984-85 - Necessity of Crediting Income Equal to Expenditure. - - - - -

30-7-89

The Committee directed that the para should be written back to the current year's accounts.

The para was deleted from the Report for the year 1984-85-

54. Para 72 Page 76 of Audit Report On Commercial Accounts for the year 1984-85 - Non-recencilation of Withdrawls from Remittance Into Treasury. - - - - -

30-7-89

As recommended by the Audit, the para was dropped.

55. Para 73 Page 76 of Audit Report On Commercial Accounts for the year 1984-85 - Requirement of Booking the Figures of Leave Salary and Pensionary Charges on Actual Basis.

30-7-89

The Department stated that the figures of leave salary and pensionary charges booked on adhoc basis has now been calculated actual basis.

The Committee directed that the figures should be verified by the Audit.

Subject to verification by Audit, the para was dropped.

56. Para 74 Page 76 of Audit Report On Commercial Accounts for the year 1984-85 - Improper Maintenance of Accounts Record. - - - - -

30-7-89

The Department stated that the assets register has since

been prepared as on the pattern of Commercial Accounting System and would be shown to Audit.

Subject to verification the para was dropped.

57. Para 75 Page 76 of Audit Report On Commercial Accounts for the year 1984-85 - Non-maintenance on Commercial Pattern. -----

30-7-89

The Department stated that as far as possible, the accounts were now being prepared in accordance with the commercial accounting practices.

The Committee directed that the fact should be verified by Audit. Subject to verification the para was dropped.

The Committee recommended that the Auditor General of Pakistan may be requested to provide training facilities to the accountants of the Department at their institutions.

58. Para 81 Page 91 of Audit Report On Commercial Accounts for the year 1984-85 - Working Results of the Division for the year 1984-85 -----

30-7-89

The Department explained the working results of the Agricultural Engineering Workshop, Faisalabad Division as detailed in the document. The Department explained that un-serviceable Bulldozers were also accounted for which depicted loss in the result from the point of view of the Commercial System of Accounts. All such merrtical and vehical was put to auction to come to viable results.

The Committee directed that in future the Department should be very careful and make earnest efforts in achieving the budgetary targets, and avoid loses as far as possible to become self-sufficient.

The Committee was also of the view that as one of the

reasons for negative financial picture was over-staffing, it is desirable that vacancies caused by the retirement of various officials should not be filled in. This would help the organization in reducing its financial burden.

Subject to the above observations, the para was dropped.

30-7-89

The Department stated that the losses were due to the fact that unserviceable machinery and stores were also included in the targets. If only the serviceable Bulldozers would have been taken into account while fixing the targets, the results were bound to be otherwise. This was also due to the fact that at that time the accounts were not being prepared on commercial basis.

The Department further stated that now they have started disposing off the unserviceable stores and Bulldozers and the situation will improve considerably.

The Committee directed that the Department should be careful in the maintenance of accounts which should be on commercial basis.

The Public Accounts Committee-II observed that the Sub-Committee formed to examine the working of the Department and suggesting ways and means for streamlining and improvement of its functions, should also take into account the observations of the Audit on the above para and suggest remedial measures.

With the above observations the para was settled.

30-7-89

In addition to the remarks made under Paras No. 53 and 69, the Sub Committee may also like to see the methodology of purchasing slow-moving and fast-moving spare parts and suggest

improvement thereon.

The para was settled.

59. Para 82 Page 92 of Audit Report On Commercial Accounts for the year 1984-85 - Requirement for Preparation of Transfers/Adjustments and Reconciliation etc. - - - - -

30-7-89

As recommended by the Audit, the para was dropped.

60. Para 83 Page 92 of Audit Report On Commercial Accounts for the year 1984-85 - Improper Maintenance of Accounts/Record. - - - - -

30-7-89

The Committee directed that the Audit should be satisfied that the accounts were now being prepared on commercial basis.

The para was dropped.

61. Para 89 Page 104 of Audit Report On Commercial Accounts for the year 1984-85 - Working Results for the year 1980-81 To 1984-85. - - - - -

30-7-89

The Committee noted that the Agricultural Engineering Division, Multan have been making profits and commended the efforts made by Mr. Muhammad Ashraf Mirza and Mr. S.A. Rahman during the years 1980-81 and 1984-85. In recognition of the excellent work done by the two officers, the Committee recommended that one advance increment to each of the two officers should be granted by the Government. A reference in this connection would be made to the Finance Department. The Finance Department promised that their cases would be considered sympathetically.

The para was dropped.

62. Para 90 Page 105 of Audit Report On Commercial Accounts for the year 1984-85 - Requirements of Crediting Actual Expenditure Incurred. -----

30-7-89

The para should be reflected in the accounts of the current year and dropped from here.

63. Para 91 Page 105 of Audit Report On Commercial Accounts for the year 1984-85 - Requirement of Accounting for the Subsidy On Actual Basis. -----

30-7-89

The Audit was of the view that the plying of Bulldozers for training should not be shown as income on the analogy subsidy. In fact it should be treated as expenditure on training and written back in the current year's accounts accordingly. The Department wanted to have a clarification in this respect from the Finance Department so that there may not depict any unnecessary loss especially when the accounts were being prepared on commercial basis.

The Public Accounts Committee-II agreed to the proposal made by the Audit.

The para was kept pending.

64. Para 92 Page 105 of Audit Report On Commercial Accounts for the year 1984-85 - Non-production of Confirmation/Acknowledgements. -----

30-7-89

As recommended by the Audit, the para was dropped.

65. Para 93 Page 105 of Audit Report On Commercial Accounts for the year 1984-85 - Non-reconciliation of Withdrawals from and Remittance Into Treasury. -----

30-7-89

As recommended by the Audit, the para was dropped.

66. Para 94 Page 105 of Audit Report On Commercial Accounts for the year 1984-85 - Non-maintenance of Assets Register. -----

30-7-89

As recommended by Audit, the para was dropped.

67. Para 95 Page 106 of Audit Report On Commercial Accounts for the year 1984-85 - Requirement of Provision of Leave Salary and Pensionary Charges on Actual Basis. -----

31-7-89

The Department stated that provision of leave salary and pensionary originally calculated being on adhoc basis have since been converted to actual basis.

The para was dropped subject to verification by Audit.

68. Para 96 Page 106 of Audit Report On Commercial Accounts for the year 1984-85 - Requirement for Preparation the Books of Accounts on Commercial Basis. -----

31-7-89

The Department explained that they have converted their maintenance of accounts on commercial pattern in consultation with Audit although they have not yet been provided the services of qualified accountants. The Audit stressed the need for adopting a uniform procedure of commercial accounts the proforma to be desired for all the Divisions. They further offered that accountants of the Department may be trained in the Institution established by the Audit agreed.

Subject to the verification by Audit, the para was dropped.

69. Para 107 Page 121 of Audit Report On Commercial Accounts for the year 1984-85 - Working Results of the Division for 1973-74 To 1984-85. -----

31-7-89

The Audit objected to the fact that the profit was shown on account of the income out of Annaul Development Programme.

They stressed that it should be depicted on actual basis and Annual Development Programme should not be included. There was difference of opinion on this account between the Audit and the Administrative Department. The Committee directed that the Department should take it up with Finance Department to arrive at a uniform policy in this respect.

The para was kept pending.

70. Para 108 Page 122 of Audit Report On Commercial Accounts for the year 1984-85 - Requirement of Basis and Creterion of Charging Off of 40% Expenditure.

31-7-89

The Audit objected to the fact that the profit was shown on account of the income out of Annual Development Programme. They stressed that it should be depicted on actual basis and Annual Development Programme should not be included. There was difference of opinion on this account between the Audit and the Administrative Department. The Committee directed that the Department should take it up with Finance Department to arrive at a uniform policy in this respect.

The para was kept pending.

71. Para 109 Page 122 of Audit Report On Commercial Accounts for the year 1984-85 - Requirement of Disposal of Assets.

31-7-89

The Audit objected to the fixed assets which included the earth moving machinery which was condemned promaturely without inquiries into the reasons of its promature condemnation. The Department stated that they had inquired into the reasons through High Powered Committee which would be shown to Audit for their verification and would be reported back in the next meeting.

The para was kept pending.

72. Para 115 Page 136-37 of Audit Report On Commercial Accounts for the year 1984-85 - Working Results of Agricultural Engineering Sargodha Division for the year 1984-85.

31-7-89

The Audit pointed out that the working results of Agricultural Engineering in Sargodha Division with reference to the target fixed and the result achieved was not favourable and suggested that suitable steps should be taken, so that the net losses amounting to 7.83 million should be minimised. The Department explained that the machinery was brought to the maximum target of working hours during all the three years, but the repair/overhauling expenses during the period of were not proportionate to the income due to the fact that the machinery had grown old and needed maximum overhauling and change of spare parts, so it resulted in over all loss. The Committee decided to form a Sub Committee consisting of the following Members :-

- | | | |
|----|---------------------------------------|-----------|
| 1) | Ch. Muhammad Shah Nawaz Cheema, MPA | Convenior |
| 2) | Sardar Muhammad Mured Khan Gadhi, MPA | Member |
| 3) | Mr. Aman Ullah Khan, MPA | Member |

who will probe into the reasons of this colossal loss at the site as compared to its income.

The para was kept pending.

73. Para 116 Page 136 of Audit Report On Commercial Accounts for the year 1984-85 - Increase of Machinery (Bulldozers) Expenditure. -----

31-7-89

The Audit pointed out that the working results of Agricultural Engineering in Sargodha Division with reference to the target fixed and the result achieved was not favourable and suggested that suitable steps should be taken, so that

the net losses amounting to 7.83 million should be minimised. The Department explained that the machinery was brought to the maximum target of working hours during all the three years, but the repair/overhauling expenses during the period of were not proportionate to the income due to the fact that the machinery had grown old and needed maximum overhauling and change of spare parts, so it resulted in over all loss. The Committee decided to form a Sub Committee consisting of the following Members :-

- 1) Ch. Muhammad Shah Nawaz Cheema, MPA Convenior
- 2) Sardar Muhammad Murad Khan Gadhi, MPA Member
- 3) Mr. Aman Ullah Khan, MPA Member

who will probe into the reasons of this colossal loss at the site as compared to its income.

The para was kept pending.

74. Para 117 Page 137 of Audit Report On Commercial Accounts for the year 1984-85 - Division of Proper Ways and Means.

31-7-89

The Audit pointed out that the working results of Agricultural Engineering in Sargodha Division with reference to the target fixed and the result achieved was not favourable and suggested that suitable steps should be taken, so that the net losses amounting to 7.83 million should be minimised. The Department explained that the machinery was brought to the maximum target of working hours during all the three years, but the repair/overhauling expenses during the period of were not proportionate to the income due to the fact that the machinery had grown old and needed maximum overhauling and change of spare parts, so it resulted in over all loss. The Committee decided to form a Sub Committee consisting of the

following Members :-

- 1) Ch. Muhammad Shah Nawaz Cheema, MPA Convenior
- 2) Sardar Muhammad Murad Khan Gadhi, MPA Member
- 3) Mr. Aman Ullah Khan, MPA Member

who will probe into the reasons of this colossal loss at the site as compared to its income.

The para was kept pending.

75. Para 118 Page 137 of Audit Report On Commercial Accounts for the year 1984-85 - Improper Maintenance of Accounts Record. -----

31-7-89

The Department explained that they have now maintained the Books of Accounts and fixed Assets Register and other record on commercial pattern which will be got verified by Audit.

Subject to verification by Audit the para was dropped.

76. Para 119 Page 137 of Audit Report On Commercial Accounts for the year 1984-85 - Requirement of Working Out of Actual Charges/Adjustment. -----

31-7-89

The Department stated that leave salary and pension contribution which was initially worked out on flat rate has now been converted to actual basis which should be got verified by Audit.

Subject to verification by Audit the para was dropped.

77. Para 120 Page 137 of Audit Report On Commercial Accounts for the year 1984-85 - Requirement of Minimum and Maximum Levels of Inventory. -----

31-7-89

The Audit pointed out that the stock of spares parts and workshop material had been on the increase which resulted

in the accumulation of obsolete and unserviceable material in the Departmental store as change of spares was involved during this period. It was further pointed out that minimum and maximum levels of inventory need be fixed keeping in view the rate of consumption of spare parts in order to avoid unnecessary blocking of funds and for guarding against the chances of stores becoming obsolete and unserviceable. The Committee directed that inventory required to be maintained on commercial pattern be worked out. The Department stated that the unserviceable or obsolete material has since been disposed of which has also been verified. The Audit recommended that loss if incurred on account of the disposal of stores be got regularised.

The para was settled subject to verification by Audit.

GENERAL DIRECTIVE

18-7-89

At the very outset, the Chairman requested the Department that the work of the Committee should be made effective with the ultimate aim to minimise losses to the public exchequer leaving and personal relationships and likes and dislikes shall not prejudice the decisions of the Committee.

The Chairman remarked that the decisions of the Public Accounts Committee-II are often not being implemented because of many reasons such as the retirement of the officials/officers concerned, their death or inordinate delay in pursuing the disciplinary and court cases. He, therefore, underlined the need for taking firm and immediate action on the directives of the Public Accounts Committee-II. There should not be any occasion for the Public Accounts

Committee-II to repeat its decisions. He made it clear that in case of non-observance of the directives of the Public Accounts Committee-II, the Committee will be constrained to take a serious notice of the same.

The Committee then considered the Draft Paras relating to the Field Wing of the Agriculture Department.

20-7-89

The working paper relating to the left over items of the Agriculture Department was taken up. The Public Accounts Committee-II found that an Under Secretary was present in the meeting to represent his Department. The Committee took serious note of this situation and expressed its displeasure. The Committee directed that in future the Secretary of the Department should be present in the meeting to represent his Department and if somehow, it was not possible for him to attend the meeting, some senior and capable officer should represent the Department. While recording its displeasure, the Public Accounts Committee-II reiterated that recurrence of such an irresponsible behaviour could not be tolerated.

5
PUNJAB SEED CORPORATION

The Committee examined the Accounts of the Punjab Seed Corporation in the meeting held on 30-4-1991.

1983 - 84

1. Para 3 Pages 4-5 of Audit Report On Commercial Accounts for the year 1983-84 - Accounts Not Compiled Since 1981-82.

30-4-91

The Corporation informed the Committee that the accounts for the year 1989-90 had been compiled, got Audited by the Chartered Accountants and submitted to the Audit Department. The Audit confirmed the receipt of accounts for the said year and their inclusion in the Audit Report.

On the recommendation of the Audit, the para was settled.

It was, however, observed that the Corporation had been running into loss till 1988-89 due to the reasons that Government subsidy was discontinued from 1987-88. The Corporation was having operative profit after adding from other incomes like bank accounts, tractors and tubewells. So far as seed was concerned, they were going into loss. The Committee required the Corporation to devise ways and means to remedy the situation and suggest measure in this behalf.

2. Para 165 Page 211 of Audit Report On Commercial Accounts for the year 1983-84 - Working Results. - - - - -

30-4-91

It was explained that the increase in the expenditure from Rs. 3,11,597/- to Rs. 12,57,994/- was due to the purchase of 8 - new vehicles resulting in more consumption of POL. According to the Corporation, the purchase of vehicles was

necessitated due to the increased procurement of wheat. Audit was of the view that expenditure on running of the vehicles and POL seemed to be on the higher side.

The Corporation was directed to work out a comparative analysis regarding POL, travelling allowance, movement of vehicles, etc and submit the same to Audit for scrutiny. The Committee suggested that the Board of the Corporation should put on their approved list prequalified chartered companies instead of engaging any company on the basis of lower quotation which may not be upto the required standard. The Audit informed the Public Accounts Committee that a provision to this effect existed in the rules and they would provide a copy of the same to the Assembly Secretariat for placing before the Committee.

The Committee directed that a copy of the above mentioned provision, alongwith a note containing suggestions, should be submitted to it by Audit. The Audit undertook to comply with the direction within a week.

The para was kept pending.

3. Para 166 Page 212 of Audit Report On Commercial Accounts for the year 1983-84 - Need for Adopting Correct and Uniform System. - - - - -

40-4-91

Since remedial measures had been adopted by the Corporation, the para was settled on the recommendation of the Audit.

4. Para 167 Page 212 of Audit Report On Commercial Accounts for the year 1983-84 - Need for Yearly Physical Verification.

30-4-91

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

5. Para 168 Page 212 of Audit Report On Commercial Accounts for the year 1983-84 - Early Realization of Debts.

30-4-91

The Department explained that they were in regular correspondence with the Cooperative Banks for the recovery of the balance amount from various organizations. The Committee desired that the files/record containing the correspondence of efforts made by the Corporation for recovery of the amount should have been brought to the meeting, but the Department could not produce the relevant file as they did not have it with them. The Committee took a serious view of the matter and observed that the Department did not come fully prepared, did not do their home work and also appeared before the Public Accounts Committee without relevant record. The Committee also opined that the Department was not giving due importance to the work of Public Accounts Committee which was the highest forum of the Punjab Assembly.

The Committee suggested that a D.O. may be written to the Chief Secretary, Punjab, stating the -

- 1) The Department did not submit their working papers in time.
- 2) The Administrative Heads did not attend meetings of the Public Accounts Committee personally.
- 3) The Departments do not bring complete relevant record with them.
- 4) The Department do not indulge in home work with the result that they do not come fully prepared.
- 5) The Departments should complete the working papers on the accounts which had been presented to the Assembly and submit the same to the Public Accounts Committee without further delay.

The Department, however, undertook to make serious efforts for the recovery of the amount, within one month, seeking the good offices of the Minister concerned.

The para was kept pending.

6. Para 169 Page 212 of Audit Report On Commercial Accounts for the year 1983-84 - Justification for Discontinuation of Charging Interest on Equity. - - - - -

30-4-91

The Corporation explained that the funds were released to Punjab Seed Corporation as grants by the Agriculture and the Finance Departments and no interest was chargeable on Government Grants. The Audit was directed to verify the fact from the Finance Department whether the funds were given as loan or grant.

The para was kept pending.

7. Para 170 Page 212 of Audit Report On Commercial Accounts for the year 1983-84 - Justification for Poor Financial Management of the Funds. - - - - -

30-4-91

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

1984 - 85

8. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1984-85 - Scope of Compilation. - - - - -

30-4-91

The Corporation had since submitted the accounts to the Audit, therefore, the para was settled.

CHAPTER II

EXCISE AND TAXATION DEPARTMENT

EXCISE AND TAXATION DEPARTMENTGOVERNMENT OPIUM AND ALKALOID FACTORY, LAHORE

The Committee examined the Accounts of the Government Opium Alkaloid Factory, Lahore, in the meeting held on 31-8-1989.

1. Para 30 Page 34 of Audit Report On Commercial Accounts for the year 1983-84 - (Non-reconciliation with Bank/Treasuries, Absence of Proper Procedure for Maintenance of Accounts).

31-8-89

- (a) The Department explained that it had moved the Finance Department to declare the Opium Factory as a non-commercial organization on the pattern it had been functioning since long because it was not performing any commercial role. It had a limited sphere of supplying to the addicts on strict medical prescription and to the Auyovedic Pharmacists for the manufacture of drugs. The Committee was of the opinion that Opium Factory had been declared commercial organisation for the nature of role it had to play, declaring it as non commercial was not suitable it would be more appropriate further to move the Finance Department for additional staff who would be conversant for the maintenance of commercial accounts.

The Committee directed that the Finance Department should consider the sanctioning of the additional staff favourably for the factory and Administrative Secretary agreed with this proposal. The Finance Department and Administrative Department would sit together to come to some settlement within three months.

The para was kept pending.

(b) The Department informed the Committee that reconciliation was being done now according to the prescribed procedure. The Committee was further informed that the figures had been reconciled with the Treasury but had yet to be got verified by Audit and assured that it would be got done very soon.

The Committee decided to drop this item.

2. Para 183 Page 258 of Audit Report On Commercial Accounts for the year 1983-84 - (Withdrawal From/Remittance Into Treasury). -----

31-8-89

The Department explained that there was a difference between withdrawals and deposits and the excess of Rs. 22,425/- was due to incorrect booking on the part of Accountant General which had since been rectified. The Accountant General had also been moved for the rectification of the less booking of Rs. 315/-.

Subject to verification by Audit of the above rectifications, the para was dropped.

3. Para 184 Page 258 of Audit Report On Commercial Accounts for the year 1983-84 - (Requirement for Maintenance of Accounts Record on Commercial Pattern). -----

31-8-89

The Finance Department was directed to favourably consider the sanctioning of additional staff for the maintenance of commercial accounts.

The para was settled.

1984 - 85

4. Para 147 Page 168 of Audit Report On Commercial Accounts for the year 1984-85 - (Recovery of Outstanding Advance Amounting to Rs. 2,60,095/-) - - - - -

31-8-89

The Department explained that the amount of Rs. 2,60,095/- was recoverable from 10,526 scattered cultivators of N.W.F.P. and the matter also pertained to inter-Provincial dealings. Therefore, it had moved the Finance Department to write off this amount as it was not possible to make the recovery.

The Committee felt satisfied with the explanation of the Department and asked the Finance Department to write off the amount of Rs. 2,60,095/-.

Subject to the sanction of write off of the amount and its verification by Audit, the para was dropped.

5. Para 148 Page 168 of Audit Report On Commercial Accounts for the year 1984-85 - (Physical Verification of Stores and Stock) - - - - -

31-8-89

Physical verification of stores and stock having been conducted by the Department and verified by Audit.

The para was dropped.

6. Para 149 Page 168 of Audit Report On Commercial Accounts for the year 1984-85 - (Discrepancies in the Accounts Record) - - - - -

31-8-89

(1) Confirmation of excess booking of Rs. 1,250/- having been obtained from the Accountant General, the item was dropped.

- (2) The difference of Rs. 517/- was also due to excess booking of the Accountant General, Punjab, which had already been confirmed by it.

The item was dropped.

- (3) (3) and (4) As the figures had been verified by Audit, the items were dropped.
-

CHAPTER III

FORESTRY AND WILDLIFE DEPARTMENT

FORESTRY AND WILDLIFE DEPARTMENTGOVERNMENT JALLO ROSIN AND TURPENTINE FACTORYLAHORE

The Committee examined the Accounts of the Jallo Rosin and Turpentine Factory, Lahore, in the meeting held on 31-8-198

1. Para 190 Page 271 of Audit Report On Commercial Accounts for the year 1983-84 - (Discrepancies in the Accounts Report) .

31-8-89

Reconciliation having been done, the para was dropped.

1984 - 85

2. Para 155 Page 181 of Audit Report On Commercial Accounts for the year 1984-85 - (Recovery of Government Dues) .

31-8-89

Rectification of the error having been verified by the Accountant General, Punjab, the para was dropped on the recommendation of Audit.

3. Para 156 Page 181 of Audit Report On Commercial Accounts for the year 1984-85 - (Feasibility of Utilizing the Services of the Surplus Staff) .

31-8-89

The Department explained to the Committee that the supply of raw vosin was discontinued as the tapping of Murree Hills Pine and Kail Trees for raw material was abandoned due to the reason that the quality of timber was being affected as also the health of trees was being impaired. The raw material from N.W.F.P. and Azad Kashmir had already stopped because factories had been set up by N.W.F.P. and Azad Kashmir. Consequently, the factory had to be closed on 30-6-1988 as it was not being

fed by raw material. The Department further explained that the French-made factory plant pertained to 1915 and had become quite obsolete and would be auctioned, through open auction, as scrap. The staff had been declared surplus and sent to Services and General Administration Department for absorption.

The Audit objected that this explanation should have been included in the working papers.

The Committee directed that balance sheets pertaining to the years 1984-85 and 1985-86 alongwith all the relevant record should be supplied to the Assembly Secretariat within a fortnight for consideration of the Public Accounts Committee.

The para was kept pending.

CHAPTER IV

HEALTH DEPARTMENT

GOVERNMENT MEDICAL STORE DEPOT, LAHORE

The Committee examined the Accounts of the Medical Stores Depot, Lahore, in the meeting held on 30-8-1989.

1. Para 169 Page 205 of Audit Report On Commercial Accounts for the year 1984-85.

30-8-89

The accounts of the Medical Store Depot having been reconciled and verified by Audit, the para was dropped.

2. Para 170 Page 205 of Audit Report On Commercial Accounts for the year 1984-85 - (Desirability of Preparing the Manufacturing Accounts On Commercial Pattern).

30-8-89

It was pointed out that the Audit of the Medical Stores Depot is carried out by the Accountant General, Punjab, while it is depicted in compilation of the Commercial Audit Report on the plea that it is required to keep its accounts on the pattern of the Commercial Accounts.

It was explained that presently the Pharmaceutical Factory is part and parcel of the Government Medical Store Depot. There is no separate budget allocation for the factory and the Medical Store Depot. The raw material used in the factory for the manufacturing of drugs, is purchased through Purchase Cell of the Health Department from the regular budget meant for the purchase of medicines for Health Department. So, also there is no separate staff for the factory and the store. Even the water, sui gas, electricity and telephone charges are met out of the regular budget of the Medical Store Depot. On all the items of drugs/medicines manufactured in the

factory 5 percent service charges added in the cost of raw material and are charged there from. As such all aspects of the accounts of the Pharmaceutical Unit and the Depot are depicting in the Commercial Accounts statement according to the prescribed procedure of the Government. The Committee dropped the para with the observation that feasibility of bifurcating the accounts of the Pharmaceutical Units from that of Medical Store Depot be worked out. The store depot should remain being Audited by the Accountant General, Punjab, while the factory be got Audited by the Commercial Accounts.

3. Para 171 Page 205 of Audit Report On Commercial Accounts for the year 1984-85 - (Recoveries of the Outstanding Dues).

30-8-89

The Committee directed that the Administrative Department to have the fact finding inquiries to each individual case which resulted in the culmination of this huge amount result of these preliminary reports may be submitted to the Committee in the form of a revised working paper. Meanwhile all these sundry debtors may be pursued vigorously for the payment of outstanding dues.

The para was kept pending.

4. Para 172 Page 205 of Audit Report On Commercial Accounts for the year 1984-85 - (Recovery of the Government Dues).

30-8-89

The loss having been written off by the competent authority the para was dropped.

PUNJAB PHARMACY COUNCIL, LAHORE

The Committee examined the Accounts of the Punjab Pharmacy Council, Lahore, in the meeting held on 30-8-1989.

1. Para 181 Page 218 of Audit Report On Commercial Accounts for the year 1984-85 - (Desirability of Acquiring its Own Building by the Council).

30-8-89

The para was dropped. However, it was suggested that efforts may continue to be made for procuring a plot preferably a state land in the constructing of a building in the Punjab Pharmacy Council. Government may also be approached for a suitable grant in the construction of the Building. The representative of the Finance Department was favourable to the consideration of this suggestion favourable.

2. Para 182 Page 218 of Audit Report On Commercial Accounts for the year 1984-85 - (Demand of Writing Off Loss).

30-8-89

The para was settled. As per recommendation of the Audit.

CHAPTER V

INDUSTRIES AND MINERAL DEVELOPMENT DEPARTMENT

GOVERNMENT PRINTING PRESS
LAHORE

The Committee examined the Accounts of the Government Printing Press, Lahore, in the meeting held on 30-12-1989.

1. Para 30 Page 33 of Audit Report On Commercial Accounts for the year 1983-84 - Non-reconciliation with Bank/Treasuries, absence of proper Procedure for Maintenance of Accounts.

30-12-89

The Department was directed to seek guidance from the Audit for the maintenance of their record on commercial pattern according to single entry system. The Committee made it clear that it was the responsibility of the Department above to seek guidance from Audit or any other concerned quarter. It was also directed that books/ledgers pertaining to accounts for 1989-90 should be prepared on the above mentioned pattern and submitted to the Public Accounts Committee by the end of June, 1990.

Subject to verification by Audit of the confirmation of reconciliation with Accountant General, the para was dropped.

2. Para 262 Page 369 of Audit Report On Commercial Accounts for the year 1983-84 - Working Results.

30-12-89

The Department was directed that :-

- (1) Accounts for the year 1983-84 to 1987-88 should be prepared and submitted to the Public Accounts Committee as under :-

1983-84

-

31st January, 1990.

1984-85	-	28th February, 1990.
1985-86	-	31st March, 1990.
1986-87	-	30th April, 1990.
1987-88	-	31st May, 1990.

(2) A certificate, signed by the Controller and the Superintendent, Printing Press, should be given to the effect that, in future, accounts of the Department would be completed within three months after the end of each financial year.

(3) Details of purchases made during the year 1988-89 pertaining to the Printing Press, alongwith the reasons for loss etc., should also be supplied to the Public Accounts Committee.

The para was kept pending.

3. Para 263 Page 369 of Audit Report On Commercial Accounts for the year 1983-84 - Non-reconciliation of the Figures of Withdrawals from Treasury. - - - - -

30-12-89

The Department informed the Committee that reconciliation upto 1986-87 had been done with the Accountant General and promised to supply the confirmation certificate regarding reconciliation to Audit for verification.

The para was kept pending.

4. Para 264 Page 370 of Audit Report On Commercial Accounts for the year 1983-84 - Requirement of Placing the Shortages and Excess Under Suspense Head of Accounts and Action for Charging Thereon. - - - - -

30-12-89

The Committee directed that inquiries pertaining to embezzlement should be held and completed without any further

delay. It was further directed that stocks, in future, should be kept in minimum quantity.

The para was kept pending.

PUNJAB GOVERNMENT PRESS, BAHAWALPUR

The Committee examined the Accounts of the Punjab Government Press, Bahawalpur, in the meeting held on 30-12-1989.

Para 247 Page 351 of Audit Report On Commercial Accounts for the year 1983-84 - Requirement for Maintenance of the Books of Accounts of Press On Commercial Pattern.

30-12-89

The Committee directed that the detailed note alongwith the file pertaining to purchases/imports of machinery should be prepared and supplied to Audit on 31-12-1989 and the Audit comments obtained on the working paper accordingly.

Comprehensive report may be submitted to the Public Accounts Committee-II for its consideration.

The para was kept pending.

67

GOVERNMENT WEAVING AND FINISHING CENTRE
SHAHDARA

The Committee examined the Accounts of the Government Weaving and Finishing Centre, Shahdara in the meeting held on 31-12-1989.

1. Para 206 Page 296 of Audit Report On Commercial Accounts for the year 1983-84.

31-12-89

The Department explained that it was a very old industrial concern. Out of 116 looms only 49 and 47 remained under operation during the years 1982-83 and 1985-86 respectively.

As the Department is under litigation with M/s Ceebee Industries, Ravi Road, Lahore and the Lahore High Court had issued stay order in favour of M/s Ceebee Industries, no steps could possibly be taken for improvement of the situation.

The Committee directed that a self-contained brief detailing the complete picture of the entire case may be indicated within a fortnight adding what steps have been taken to expedite the matter pending in the Court.

2. Para 207 Page 297 of Audit Report On Commercial Accounts for the year 1983-84. - - - - -

31-12-89

The Department assured that the loss credit of Rs. 4,625/- would be adjusted in the Accounts for the year 1987-88. Also the schedule of assets and depreciation would invariably accompany the annual account of last year.

The para was dropped.

3. Para 208 Page 297 of Audit Report On Commercial Accounts for the year 1983-84. - - - - -

31-12-89

The Department explained that the bulk quantity of old yarn purchased prior to the year 1980, had since been consumed and the balance of about 5000 Kgs of yarn would shortly be consumed.

The Committee observed that purchase/storage of bulk quantity was against the concept of Inventory Control. The Committee further desired that the Department may hold a fact finding inquiry leading to the loss of Rs. 64,710/-. The report may be submitted within a month's time.

4. Para 209 Page 297 of Audit Report On Commercial Accounts for the year 1983-84. - - - - -

31-12-89

The para was dropped subject to verification by Audit.

1984 - 85

5. Para 240 Page 323 of Audit Report On Commercial Accounts for the year 1984-85. - - - - -

31-12-89

The Department stated that they were making all efforts for the increase in sales and strict control over operating expenses which had resulted in gradual improvement in the overall situation. The para was dropped with the observation to furnish a detailed note of percentage of the purchase by private parties and the Government agencies regarding different manufacturing staff.

6. Para 241 Page 324 of Audit Report On Commercial Accounts for the year 1984-85.

31-12-89

The Department informed that the an amount of Rs. 13,789/- on Security Deposit with interest had been received.

The para was dropped subject to its verification by Audit.

7. Para 242 Page 324 of Audit Report On Commercial Accounts for the year 1984-85. - - - - -

31-12-89

The para was dropped subject to its verification by Accountant General.

8. Para 243 Page 324 of Audit Report On Commercial Addounts for the year 1984-85. - - - - -

31-12-89

The Department informed that duty had since been releived and the amount would be refunded through readjustment.

With this assurance, the para was settled.

9. Para 244 Page 324 of Audit Report On Commercial Accounts for the year 1984-85. - - - - -

31-12-89 •

The Department informed that requisite schedule of fixed assets showing the depreciation for the year and accumulated balance had already been furnished.

The para was thus settled.

10. Para 245 Page 324 of Audit Report On Commercial Accounts for the year 1984-85.

31-12-89

The para was settled subject to the verification of year-wise break up of sundry debtors by the Audit.

GOVERNMENT WOOL SPINNING WEAVING AND
DEVELOPMENT-CUM-TRAINING CENTRE, JHANG

The Committee examined the Accounts of the Government Wool Spinning Weaving and Development-cum-Training Centre, Jhang in the meeting held on 31-12-1989.

1. Para 214 Page 309 of Audit Report On Commercial Accounts for the year 1983-84.

31-12-89

The para was dropped with the observation that the amount at issue may be indicated as receivable.

1984 - 85

2. Para 251 Page 339 of Audit Report On Commercial Accounts for the year 1984-85. - - - - -

31-12-89

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

3. Para 252 Page 340 of Audit Report On Commercial Accounts for the year 1984-85. - - - - -

31-12-89

The Department stated that it had not charged the interest on the Government Account as its receipts were higher than the withdrawal.

The Audit stressed that the interest had to be charged in keeping with the requirement of the P.F.R.

The Committee directed the Department to get this codal requirements dispensed with by the Finance Department.

The para was however dropped.

71

PUNJAB INDUSTRIAL DEVELOPMENT BOARD

The Committee examined the Accounts of the Punjab Industrial Development Board in the meeting held on 24-4-1991.

24-4-91

The Administrative Secretary pointed out that the accounts for those years only should be taken up which were under consideration having been referred to the Committee and the accounts for the later years should not be discussed. The Department was prepared to submit explanations of the accounts on its turn. The Chairman opined that this was not a departure from the normal practice. Although the accounts for the years 1983-84 would be discussed as per agenda yet the Committee was within its competence to obtain information about the accounts for the later years.

2. Para 271 Page 385 of Audit Report On Commercial Accounts for the year 1983-84 - Working Results. - - - - -

24-4-91

The Audit pointed out that the income of the Board during the year 1983-84 decreased by 35% as compared to the income of the year 1982-83. The Department explained that the Board derived its income from two sources, namely, (1) Investments and (2) Management fee. There was no financing from the Government side and the Board functioned as self-sufficient on the basis of the two said incomes. It was brought to the notice of the Public Accounts Committee that seven projects were functioning under the Board at that time and out of these, three textile mills were running into losses. As the deposits had to be withdrawn for investment the projects, therefore, the income decreased in 1984. Also the sum of Rs. 75,000/-

was never received because it was only a book entry. Going back to the history of the Board, the administration explained that in 1973, it was given a block allocation of 33 crore rupees for its running, and the Board had been adjusting its losses from time to time from this amount. At present there were no losses as the projects going in deficit had been disinvested.

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

3. Para 272 Page 385 of Audit Report On Commercial Accounts for the year 1983-84. - - - - -

24-4-91

The administration explained that investment was required for the expansions carried out in Pattoki and Kamalia Mills. Profits therefore were not declared to avoid income-tax in order to enable those projects to retain the funds available with them for financing their expansion.

The para was settled.

4. Para 273 Page 385 of Audit Report On Commercial Accounts for the year 1983-84 - Financial Review. - - - - -

24-4-91

Subject to the observation that up-to-date financial reviews should be submitted to Audit by the Board, the para was settled.

1984 - 85

5. Para 217 Page 279 of Audit Report On Commercial Accounts for the year 1984-85 - Working Results. - - - - -

24-4-91

The administration explained that investment was required

for the expansions carried out in Pattoki and Kamalia Mills. Profits therefore were not declared to avoid income-tax in order to enable those projects to retain the funds available with them for financing their expansion.

The para was settled.

6. Para 218 Page 279 of Audit Report On Commercial Accounts
for the year 1984-85. -----

24-4-91

The administration informed the Committee that the sums of Rs. 14,26,944/68 and Rs. 8,81,283/20 had been recovered whereas efforts were in progress for the recovery of Rs. 2,24,844/- from the Sutlej Cotton Mills, Okara.

Subject to the recovery of the balance amount, the para was settled.

7. Para 219 Page 280 of Audit Report On Commercial Accounts
for the year 1984-85. -----

24-4-91

The Committee were informed that the remaining amount of Rs. 28,698/- had since been adjusted.

The para was settled.

8. Para 220 Page 280 of Audit Report On Commercial Accounts
for the year 1984-85. -----

24-4-91

The para was settled on the recommendation of the Audit.

9. Para 221 Page 280 of Audit Report On Commercial Accounts
for the year 1984-85. -----

24-4-91

The Board agreed to produce the internal Audit Reports to Audit.

The para was, therefore, settled.

PUNJAB MINERAL DEVELOPMENT CORPORATION

The Committee examined the Accounts of the Punjab Mineral Development Corporation in the meeting held on 31-12-1989.

1. Para 278 Page 405 of Audit Report On Commercial Accounts for the year 1983-84.

31-12-89

The Department stated that Audit had not appreciated the major factor of the provision of interest on Government loan and amortization of predevelopment expenses. The Committee accepted the departmental contention and the para was settled.

2. Para 279 Page 406 of Audit Report On Commercial Accounts for the year 1983-84.

31-12-89

The contention of the Department was accepted and the para was settled.

However the Committee desired the Administrative Secretary to adopt the uniform pattern for the Punjab Small Industries Corporation as well as Punjab Mineral Development Corporation being sister organisations under the same Administrative Secretary's control.

3. Para 280 Page 407 of Audit Report On Commercial Accounts for the year 1983-84.

31-12-89

The para was settled as verified by Audit.

4. Para 281 Page 407 of Audit Report On Commercial Accounts for the year 1983-84.

31-12-89

The Committee directed the Department to submit a detailed

account of the project which was later on abandoned with reasons thereof.

The para was kept pending.

PUNJAB SMALL INDUSTRIES CORPORATION

The Committee examined the Accounts of the Punjab Small Industries Corporation in its meetings held on 25-2-1988 and 29-8-1989.

1977-78 To 1979-80

1. Para 94 Page 99 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Sundry Debtors of Rs. 46,71,935/-.

25-2-88

The Department explained that an amount of Rs. 56,800/- had been recovered. However, this para was deleted in view of similar in the next year.

2. Para 101 Page 110 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Shortage of Rs. 1,15,190/-.

25-2-88

This para was deleted from here in view of similar para in the subsequent year.

1981 - 82

3. Para 10 Page 15 of Audit Report On Commercial Accounts for the year 1981-82 - Outstanding Amount of Rs. 83,075/-.

25-2-88

The para was dropped subject to verification by Audit.

4. Para 109 Page 130 of Audit Report On Commercial Accounts for the year 1981-82 - Financial Review On the Working Of the Corporation.

25-2-88

The Committee observed that the meeting of the Board of Director should be arranged as early as possible so that

matters pending approval of the Board could be decided.

The para was kept pending.

5. Para 110 Page 130 of Audit Report On Commercial Accounts for the year 1981-82 - Outstanding Amount of (1) Rs. 4,662 Million (2) Rs. 8,015 Million (3) Rs. 16,120 Million and (4) Rs. 24,440 Million.
-

25-2-88

This para was deleted in view of the similar para in the subsequent year.

1982 - 83

6. Para 25 Page 29 of Audit Report On Commercial Accounts for the year 1982-83 - Verification of Stores and Stocks.

25-2-88

Since the outstanding amount of Rs. 3,806/- was included in Para No. 10 for the year 1981-82, this para was settled.

7. Para 173 Page 204 of Audit Report On Commercial Accounts for the year 1982-83 - Shortage of Rs. 0.054 Million.
-

25-2-88

Since the adjustment/recovery of the shortages have been verified by Audit, the para was settled.

8. Para 174 Page 204 of Audit Report On Commercial Accounts for the year 1982-83 - Recovery of Debtors.
-

25-2-88

The Department was directed to prepare year wise details of the outstanding amount for the satisfaction of the Audit.

The para was kept pending.

1983 - 84

9. Para 19 Page 23 of Audit Report On Commercial Accounts for the year 1983-84 - Blockade of Funds Due to Un- Necessary Purchase of Welding Plant Rs. 2,37,472/-.

25-2-88

The Committee desired that the Punjab Small Industries Corporation may purchase spares and put the machine in use.

The para was settled subject to verification by Audit.

10. Para 20 Page 24 of Audit Report On Commercial Accounts for the year 1983-84 - Loss of Rs. 1,84,718/- Due to Collapse of a Newly Constructed Building.

25-2-88

The Department explained the reasons regarding the Namada Development Centre Kotli Station Building having collapsed in February, 1979. The Committee desired that the loss on re-construction of roofs may be written off.

The para was kept pending subject to write off sanction.

11. Para 21 Page 24 of Audit Report On Commercial Accounts for the year 1983-84 - Loss Due to Non-Settlement of Insurance Claims of Rs. 31,930/-.

25-2-88

The explanation given by the Punjab Small Industries Corporation was not considered satisfactory.

The para was kept pending subject to satisfaction by the Audit.

12. Para 290 Page 431 of Audit Report On Commercial Accounts for the year 1983-84 - Working Results.

25-2-88

The para was settled with the direction that steps should be taken by the Punjab Small Industries Corporation to improve

the conditions in such a manner that the expenses do not increase on the administration and general expenses without proper justification.

13. Para 291 Page 431 of Audit Report On Commercial Accounts for the year 1983-84 - Stocks Amounting to Rs. 0.012 Million. -----

25-2-88

This para was deleted as the same appears in the year 1984-85.

14. Para 292 Page 432 of Audit Report On Commercial Accounts for the year 1983-84 - Sundry Debtors. -----

25-2-88

The para was kept pending and the Department was directed to provide year-wise break up of the debtors for the satisfaction of the Audit.

15. Para 293 Page 432 of Audit Report On Commercial Accounts for the year 1983-84 - Theft Accounts of Rs. 19,357/-. -----

25-2-88

This para was settled as the write off sanction accorded by the Board had been verified by the Audit.

16. Para 294 Page 432 of Audit Report On Commercial Accounts for the year 1983-84 - Results of Physical Verification of Fixed Assets. -----

25-2-88

This para was settled as physical verification of stocks and stores had been done in the year 1983-84.

1984 - 85

17. Para 3 Page 5 of Audit Report On Commercial Accounts for the year 1984-85 - (Requirement of 7 Current and 17 Arrear Accounts).
-

29-8-89

The Public Accounts Committee directed that in future the accounts should be completed in time and submitted to Audit for verification. As for the accounts for the year 1985-86 to 1988-89, the Public Accounts Committee directed that these should be completed by the 31st December, 1989, and presented to Audit for verification.

With the above observations, the para was dropped.

18. Para 22 Page 24 of Audit Report On Commercial Accounts for the year 1984-85 - (Infructuous Expenditure of Rs. 26.733/- In Blocking of Capital).
-

29-8-89

The Public Accounts Committee noted with concern that upto date information about the para was not available with the Department at the time of the meeting and directed that in future the Department should come prepared with all the relevant information on the various paras.

In the present case, the Public Accounts Committee directed that the Department should conduct a preliminary inquiry (fact finding inquiry) into the matter and fix responsibility for the loss involved in the para. A report on the matter should be submitted to the Assembly Secretariat within a period of one month.

The para was kept pending.

19. Para 23 Page 24 of Audit Report On Commercial Accounts for the year 1984- 85 (Loss of Stock Articles Worth Rs. 21,922/-). - - - - -

29-8-89

In this para again the Committee took a serious note of the fact that full information was not available with the Department and directed that a circular letter should be sent to all the Administrative Secretaries that they should bring upto-date information and all the relevant record on various paras relating to their Departments.

As for the para under consideration, the Public Accounts Committee directed that the inquiry report being referred to by the Department should be scrutinized again by the Department in order to check its authenticity and to fix responsibility on the officials directly concerned with the shortage of stores and the officers who were required to supervise their working. A report in the matter should be completed and submitted to the Assembly Secretariat within one month.

20. Para 226 Page 299 of Audit Report On Commercial Accounts for the year 1984-85 - (Working Results of the Corporation for the year 1983-84). - - - - -

29-8-89

The Public Accounts Committee decided to constitute a Sub Committee comprising the following Members to examine the over-all working of the Punjab Small Industries Corporation and to suggest ways and means for improvement :-

- | | |
|---------------------------------------|----------|
| 1) Mr. Aman Ullah Khan, MPA | Convenor |
| 2) Mr. Muhammad Shahnawaz Cheema, MPA | Member |
| 3) Mian Manzoor Ahmad Mohal, MPA | Member |
| 4) Mrs. Saghira Islam, MPA | Member |

The Auditor General of Pakistan would be requested to ask the Director General, Performance Evaluation Cell to attend the meetings of the Sub Committee as technical expert.

The detailed terms of reference of the Sub Committee will be prepared by the Audit.

Date and venue of the meeting will be communicated later on.

A decision on the para will be taken in the light of the report of the Sub Committee.

The para was kept pending.

21. Para 227 Page 300 of Audit Report On Commercial Accounts for the year 1984-85 - (Non-adoption of Correct Closing Balance as Opening Balance). - - - - -

29-8-89

The difference of opening and closing balance having been reconciled by the Department and verified by Audit, the para was settled.

22. Para 228 Page 300 of Audit Report On Commercial Accounts for the year 1984-85 - (Non-provision of Schedule of Repayment of Principal An Interest On Long Term Loan).

29-8-89

It was stated that the relevant record of schedule of repayments on "long term loans" in local and foreign currency has been checked and verified by Audit.

The para was settled.

23. Para 229 Page 301 of Audit Report On Commercial Accounts for the year 1984-85 - (Justification of 0.6 Million Annual Rent for the Last Six/Seven Years Due to Non - Construction of Own PSIC Building On the Acquired Plot).

29-8-89

The Public Accounts Committee observed that the Department

should try to construct its own building on the plot available with it in order to reduce its financial liabilities on account of renting office accommodation.

The para was settled.

24. Para 230 Page 301 of Audit Report On Commercial Accounts for the year 1984-85 - (Requirement of Early Action for Disposal of Un-serviceable Stocks/Assets). - - - - -

29-8-89

The Committee directed that the disposal of the un-serviceable stores/stocks should be completed and got verified by Audit within three months.

Subject to verification of disposal of unserviceable stocks/stores by Audit, the para was settled.

25. Para 231 Page 301 of Audit Report On Commercial Accounts for the year 1984-85 - (Requirements for Completion the Investigation and Recovery Shortages Etc). - - - - -

29-8-89

The Department was directed to provide to the Public Accounts Committee details of accumulated "shortages recoverables" upto the financial year 1987-88. The Committee directed further that the process of fixing responsibilities for the shortages and making recoveries should be expedited.

The para was kept pending.

26. Para 232 Page 301 of Audit Report On Commercial Accounts for the year 1984-85 - (Necessity for the Preparation of Year-wise Analysis/Breakup of Sundry Debtors). - - - - -

29-8-89

It was stated that out of the amount of Rs. 3.545 Million, Rs. 2.24 Million have been recovered. Efforts for the recovery of the balance amount were under way.

The Department was directed to get the Audit verification of the amount already recovered. The remaining amount should be recovered within one month and a report submitted through the Audit to the Assembly Secretariat accordingly.

The para was kept pending.

27. Para 233 Page 302 of Audit Report On Commercial Accounts for the year 1984-85 - (Requirement of Fixation of Responsibility for Non-recovery/Recovery of Loss From the Officials at Fault) ; -----

29-8-89

Subject to verification by Audit, the para was settled.

28. Para 234 Page 302 of Audit Report On Commercial Accounts for the year 1984-85 - (Justification for Less Accountal of Stock/Demand of Corrective Action Etc).

29-8-89

Disposal of the remaining stock of imported bidi leaves having been verified by Audit, the para was settled.

CHAPTER III

ILLUSTRATION AND POWER DEPARTMENT

IRRIGATION AND POWER DEPARTMENTMOGHALPURA IRRIGATION WORKSHOP DIVISION

The Committee examined the Accounts of the Irrigation and Power Department (Moghaapura Irrigation Workshop Division) Lahore, in the meeting held on 16-5-1988.

1983 - 84

1. Para 321 Page 456 of Audit Report On Commercial Accounts for the year 1983-84 - Stock Accounts.

16-5-88

The departmental representative admitted that physical verification for 1984 was not done in time and that it was a lapse. However, the physical verification for that year has since been completed. The Public Accounts Committee directed that in future physical verification should be done in time. It was however directed by the Public Accounts Committee that in case of default in future the responsible officer should be proceeded against.

The para was settled.

1984 - 85

2. Para 262 Page 352 of Audit Report On Commercial Accounts for the year 1984-85 - Working Results.

16-5-88

The Committee observed that the variable cost should be controlled and the Department should try their level best to improve the business so long as the workshop is under Commercial Audit and it is obligatory for the Department to take measures for its improvement. The Department pointed out

that they had submitted a working paper that the workshop should not remain under commercial audit and had made certain suggestions. The working paper was submitted to Audit for comments which are still awaited. The Audit promised to forward their comments on their working paper within a week. The Committee observed that the Department had promised last time to take measures to minimize the losses but no strenuous efforts seem to have been taken in this respect. The Department should try to raise the profits and curtail the unproductive expenses from the workshop.

The para was kept pending.

3. Para 263 Page 352 of Audit Report On Commercial Accounts for the year 1984-85 - Profit and Loss Account. - - - - -

16-5-88

(1) The item was settled subject to verification by Audit.

(11) The item was settled.

4. Para 264 Page 353 of Audit Report On Commercial Accounts for the year 1984-85 - Manufacturing Account. - - - - -

16-5-88

The Department has stated that some arrears have been recovered. The Committee directed that efforts should be made to recover the balance amount.

The para was settled.

5. Para 265 Page 353 of Audit Report On Commercial Accounts for the year 1984-85 - Stock Account. - - - - -

16-5-88

(a) The item was settled subject to verification by Audit.

(b) Settled.

6. Para 266 Page 354 of Audit Report On Commercial Accounts for the year 1984-85 - Sundry Debtors.

16-5-88

The Committee directed that efforts should be made to recover the amount.

The para was kept pending.

7. Para 267 Page 354 of Audit Report On Commercial Accounts for the year 1984-85 - Sundry Creditors (Deposits).

16-5-88

The para was settled.

8. Para 268 Page 354 of Audit Report On Commercial Accounts for the year 1984-85 - Sundry Creditors (Purchase).

16-5-88

The para was settled.

CHAPTER VII

LIVESTOCK, DAIRY AND POULTRY DEPARTMENT

LIVESTOCK, DAIRY AND POULTRY DEPARTMENTLAHORE MILK PLANT

The Committee examined the Accounts of Lahore Milk Plant Lahore in its meetings held on 16-3-1988, 16-4-1988, 17-4-1988, 18-4-1988 and 22-4-1991.

1972 - 73

1. Para 12 Page 11 of Audit Report On Commercial Accounts for the year 1972-73 - Loss of Rs. 80,390/- Due to Shortage of Polythene Bags.

16-3-88

An appeal submitted by Mr. M.M. Khan, Managing Director, Coop, against the decision of the Committee for the recovery of Rs. 25,000/- from him, was considered by the Committee. After going through the appeal, it was decided that minutes of the meeting of the Divisional Heads of Coop held on 20-7-1978 referred to by the appellant in his appeal may be circulated among Members for further study.

From the appeal it was revealed that the erstwhile Governor's Inspection Team also visited the Milk Plant towards the end of 1973 and reported some very serious charges of corruption against Mr. Razi Khan, Ex-Dairy Manager. The Committee desired that the report of the Inspection Team, which can be had from the Secretary, Livestock and Dairy Development Department, Punjab, Lahore, or from the Project Director, Lahore Milk Plant, may be obtained and circulated among the Members of the Committee immediately.

The Committee also desired that Audit may kindly re-check the actual amount, which is to be recovered.

17-4-88

The Committee was informed that the Audit had verified that irregular payment to Mr. Razi Khan on the orders of Mr. M.M. Khan was Rs. 14,661/- and not Rs. 25,000/-, which was recoverable from Mr. M.M. Khan, of the then Managing Director. The Committee directed that efforts should be made to recover the amount of Rs. 14,661/- due from him and a report submitted to the Committee. The remaining part of the earlier decision of the Public Accounts Committee should be implemented.

The para was kept pending.

2. Para 13 Page 12 of the Audit Report On Commercial Accounts for the year 1972-73 - Loss of Rs. 10,701/- Due to Pilferage of Butter Oil. -----

17-4-88

The Department stated that the case regarding regularization of loss of Rs. 10,701/- had been referred to Finance Department and its sanction was awaited. The representative of Finance Department stated that they should have a meeting with Ch. Akhtar Hussain, Deputy Secretary, Finance Department today afternoon, who will expedite the case. The Committee accepted the suggestion and directed the Department accordingly.

The para will remain pending.

3. Para 14 Page 13 of the Audit Report On Commercial Accounts for the year 1972-73 - Credit Sales of Rs. 36,375/- without Proper Safeguards. -----

17-4-88

The Department stated that the case regarding regularization of loss of Rs. 10,701/- had been referred to Finance Department and its sanction was awaited. The representative of Finance Department stated that they should

have a meeting with Ch. Akhtar Hussain, Deputy Secretary, Finance Department today afternoon, who will expedite the case. The Committee accepted the suggestion and directed the Department accordingly.

The para will remain pending.

1973 - 74

4. Para 5 Page 14 of Audit Report On Commercial Accounts for the year 1973-74 - Loss of Rs. 16,14,346/- Due to Shortage of Dairy Products. - - - - -

17-4-88

The Committee was not satisfied with the explanation of the Department given in the working paper. It was decided to constitute a Sub Committee consisting of (i) Ch. Abdur Rashid, MPA (ii) Mian Ghulam Farid Chishti, MPA and (iii) Ch. Muhammad Azam Choema, MPA to inquiry into the whole case and submit a report to the Committee for its further consideration.

The para was kept pending.

5. Para 47 Page 45 of the Audit Report On Commercial Accounts for the year 1973-74 - Short Term Loans, Advances and Prepayments.

17-4-88

The Department stated that the adjustment and reconciliation had been get verified by Audit. However, the case was still pending in the Sind High Court which was being pursued by engaging a lawyer in Karachi.

The Committee directed that the Registrar of the Sind High Court may be requested by the General Manager, Lahore Milk Plant, through proper channel, if it could be possible to fix an early date of hearing of the case as public money was involved.

The para will remain pending.

1974 - 75

6. Para 31 Page 35 of the Audit Report On Commercial Accounts for the year 1974-75 - Working Results.

17-4-88

The Department stated that the case regarding regularization of loss of Rs. 10,701/- had been referred to Finance Department and its sanction was awaited. The representative of Finance Department stated that they should have a meeting with Ch. Akhtar Hussain, Deputy Secretary, Finance Department today afternoon, who will expedite the case. The Committee accepted the suggestion and directed the Department accordingly.

The para will remain pending.

1975 - 76

7. Para 32 Page 53 of the Audit Report On Commercial Accounts for the year 1975-76 - Working Results.

17-4-88

The Department stated that the case regarding regularization of loss of Rs. 10,701/- had been referred to Finance Department and its sanction was awaited. The representative of Finance Department stated that they should have a meeting with Ch. Akhtar Hussain, Deputy Secretary, Finance Department today afternoon, who will expedite the case. The Committee accepted the suggestion and directed the Department accordingly.

The para will remain pending.

1976 - 77

8. Para 17 Page 29 of the Audit Report On Commercial Accounts for the year 1976-77 - Working Results.

17-4-88

The Department stated that the case regarding regularization of loss of Rs. 10,701/- had been referred to

Finance Department and its sanction was awaited. The representative of Finance Department stated that they should have a meeting with Ch. Akhtar Hussain, Deputy Secretary, Finance Department today afternoon, who will expedite the case. The Committee accepted the suggestion and directed the Department accordingly.

The para will remain pending.

1977-78 To 1979-80

9. Para 17 Page 17 of the Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Loss of Rs. 10,51,503/- Due to Pilferage, Rejection and Bursting of Polythene Pouches.
-

17-4-88

The Department stated that no meeting of the Board of Directors could be held so far due to unavoidable reasons. However, a meeting was schedule in the last week of April, in which a decision regarding percentage of permissible losses will be taken.

The para was kept pending.

10. Para 19 Page 18 of the Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Shortage of Stocks Worth Rs. 4,44,571/-
-

17-4-88

The Department stated that efforts were being made to effect recoveries as arrears of land revenue. The Collector Lahore was last reminded on 10th April, 1988.

The Committee directed that efforts should be made at personal level to get the matter expedited.

The para was kept pending.

11. Para 22 Page 19 of the Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Doubtful Renovation of Milk Booths at a Cost of Rs. 37,800/-.
12. Para 181 Page 213 of the Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Working Results. - - - - -
13. Para 182 Page 213 of the Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Sustenance of Net Loss of Rs. 42,08,580/- By Lahore Milk Plant.

17-4-88

The above three cases were under examination by a Sub - Committee of the Public Accounts Committee, whose reports were awaited.

The paras will remain pending.

1980 - 81

14. Para 46 Page 39 of the Audit Report On Commercial Accounts for the year 1980-81 - Short Term Loans and Advances. - - - - -

17-4-88

The Department stated that efforts were being made to recover the remaining amount of Rs.11,244/- for the Punjab Livestock Project, Sheikhupura.

The Committee directed that recovery should be expedited.

The para was kept pending.

15. Para 48 Page 39 of the Audit Report On Commercial Accounts for the year 1980-81 - Sundry Debtors Amounting to Rs. 0.891 Million. - - - - -

17-4-88

The Department stated that the case had been submitted to Government for write off sanction which was still awaited.

The Committee directed that the case should be pursued at personal level.

The para was kept pending.

1981 - 82

16. Para 9 Page 14 of the Audit Report On Commercial Accounts for the year 1981-82 - Non Recovery of Advances of Rs. 1.33.080/-

17-4-88

The Department stated that a detailed inquiry was necessary to fix responsibility on the officers, who failed to make final recoveries, and requested for more time.

The Committee directed that the case should be finalised within two months.

The para was kept pending.

1982 - 83

17. Para 18 Page 23 of the Audit Report On Commercial Accounts for the year 1982-83 - (i) Loss of Rs. 2,57,153/- Due to Auction of Deteriorated Milk and Butter Oil (ii) Loss of Rs. 50,674/- Due to Non Disposal of Spoiled Milk.

18. Para 20 Page 24 of the Audit Report On Commercial Accounts for the year 1982-83 - Misappropriation of Cash Rs. 82,620/-

17-4-88

The above two cases were under examination by a Sub-Committee of the Public Accounts Committee whose reports were awaited.

The para was kept pending.

19. Para 21 Page 25 of the Audit Report On Commercial Accounts for the year 1982-83 - Loss of Rs. 32,176/- Due to Non Recovery of Shortage of Butter Fat In Transit.

17-4-88

The Department stated that the actual amount recoverable

from Mr. Razi Khan was Rs. 1,32,005/72, who was absconding and his whereabouts were not known.

The Committee directed that efforts should be made to recover the said amount from Mr. Razi Khan. In case Mr. Razi Khan was not traceable and the recovery was not possible, the amount will be got written off by the competent authority.

The para was kept pending.

20. Para 22 Page 26 of Audit Report On Commercial Accounts for the year 1982-83 - Shortage of Stores Worth Rs.12,639/-
18-4-88

The Department stated that the next meeting of the Board of Directors is to be held by the end of April, 1988 in which the matter will be placed for writing off the loss of Rs. 12,639/-.

The Committee directed that efforts should be made to hold the meeting at the earliest and get the matter decided.

The para was kept pending.

21. Para 103 Page 103 of the Audit Report On Commercial Accounts for the year 1982-83 - Sundry Debtors.
18-4-88

The Department stated that the case of write off had been sent to the Finance Department and their reply was still awaited. The representative of the Finance Department stated that the Department should come up with details of the case sent to the Finance Department and the matter will be decided early.

The para was kept pending.

22. Para 104 Page 103 of the Audit Report On Commercial Accounts for the year 1982-83. - Balance under Advances Deposits and Prepayments.

18-4-88

The Department stated that the case of write off had been sent to the Finance Department and their reply was still awaited. The representative of the Finance Department stated that the Department should come up with details of the case sent to the Finance Department and the matter will be decided early.

The para was kept pending.

1983 - 84

23. Para 15 Page 20 of the Audit Report On Commercial Accounts for the year 1983-84 - Fraudulent Drawal of Butter Oil Rs. 1.8 Million.

18-4-88

The Department stated that Mr. Sharafat Hussain, Ex-Store Keeper had fraudulently got released the stock of butter oil from Karachi Port. The Deputy Director, FIA, Karachi had intimated that the accused Mr. Sharafat Hussain had been arrested and challaned in the Court of Special Judge, Central Karachi, vide his letter dated 20.8.1987. The case was being pursued in the said Court and FIA was being reminded regularly.

The case being sub-judice, the para was kept pending.

24. Para 18 Page 22 of Audit Report On Commercial Accounts for the year 1983-84 - Loss of Rs. 1,01,079/- Due to Damage/Shortage of Polythene of Puches.

18-4-88

The Committee directed that the permissible limit of loss should be got approved by the Board of Directors whose meeting was expected to be held by the end of April, 1988.

As regards the shortage of 47,475 puches weighing 215.80 Kgs valuing Rs. 6,894/-, the Department stated that an enquiry was being held which would be finalised within 15 days. The Committee directed that the case should be finalised within 15 days and no further extension will be allowed.

The para was kept pending.

25. Para 335 Page 493 of the Audit Report On Commercial Accounts for the year 1983-84 - Working Results.

18-4-88

Subject to regularization of the working losses by the competent authority and its verification by Audit, the para was settled.

The Committee also directed that the accounts for the subsequent years should be prepared in accordance with the established accounting practices.

26. Para 336 Page 493 of the Audit Report On Commercial Accounts for the year 1983-84 - Reconciliation and Adjustment of Rs. 0.390 Million.

18-4-88

The adjustment having been verified by Audit, the para was settled.

27. Para 337 Page 493 of the Audit Report On Commercial Accounts for the year 1983-84 - No Interest on Long Term Loan.

18-4-88

The Department stated that an estimated interest was charged upto July, 1980, but it was discontinued as the terms and conditions of the Loan were not known. The Accountant General, Punjab, had been requested to furnish the terms and conditions of the loan, and, on receipt, the required adjustments of interest will be made in the accounts.

The Committee was not satisfied with the explanation given by the Department and desired that the following information should be supplied to the Public Accounts Committee in the form of a fresh working paper :-

- 1) Copies of the correspondence relating to the demand of loan from the Government ; and
- 2) Letter of the Punjab Government under which the loan was sanctioned, containing the terms and conditions of the loan ;

The para was kept pending.

28. Para 338 Page 493 of Audit Report On Commercial Accounts for the year 1983-84 - Sundry Debtors. - - - - -

18-4-88

The Department stated that the case for writing off the bad debts amounting to Rs. 10.89 was pending with the Finance Department.

The Committee directed that the case for write off shall be expedited and special efforts should be made to realize the remaining debts so that these were not turned into bad ones.

The para was kept pending.

29. Para 339 Page 493 of Audit Report On Commercial Accounts for the year 1983-84 - Accounting Policies.

18-4-88

As recommended by Audit, the para was settled.

1984 - 85

30. Para 296 Page 397 of Audit Report On Commercial Accounts for the year 1984-85 - Non Utilization of Full Capacity of the Plant.

18-4-88

The Department stated that during the first year of the

commissioning of the Plant, it could not attain its full capacity. However, the Public Accounts Committee was not satisfied with the explanation of the Department and directed that efforts should be made to utilise maximum capacity of the plant.

With the above observation, the para was settled.

31. Para 297 Page 397 of Audit Report On Commercial Accounts for the year 1984-85 - Working Results. - - - - -

18-4-88

The Committee directed that the working results of the plant should be improved and proper control over the increase of operating expenses should be exercised.

The para was settled.

32. Para 298 Page 398 of Audit Report On Commercial Accounts for the year 1984-85 - Unauthorised Deduction a Sum of Rs. 9,50,595/- - - - - -

18-4-88

The Committee directed that the loss should be regularised either by recovery or obtaining write off sanction from the competent authority.

The para was kept pending.

33. Para 299 Page 398 of Audit Report On Commercial Accounts for the year 1984-85 - Balance of Stock and Stores. - - - - -

18-4-88

The Committee directed that marketing conditions should be improved so as to increase the sale of finished products viz profits of the plant.

The para was settled.

34. Para 300 Page 398 of Audit Report On Commercial Accounts for the year 1984-85 - Over All Financial Position of the Plant.

18-4-88

The Department stated that efforts were being made to utilize the full capacity of the plant by popularizing the products through publicity and better quality.

The Committee directed that every efforts should be made to utilize the maximum capacity of the plant and also to increase sales of its products.

With the above observation, the para was settled.

GENERAL DIRECTIVE

16-4-88

The Committee noted with concern that the working papers for the meeting were not being received by the Members in time with the result that they were not able to peruse them before the date of the meeting. The working paper for today's meeting pertaining to the Punjab Dairy Corporation Limited was received by the Members in the morning. The Managing Director, Punjab Dairy Corporation Limited explained that the Audit comments were received on 14-4-1988 and the working paper was sent to the Assembly Secretariat on 16-4-1988 after incorporating the Audit comments. The Audit, on the other hand, explained that the time available with them was rather short and it was not possible to give their comments earlier than 14-4-1988, as Audit comments were to be given by their Head Office at Karachi.

The Committee directed that in future it should be ensured that the working papers relating to the various Departments

were sent to the Members at least three days before the meeting. If they were not received within that margin, the consideration of the same will be postponed to a subsequent meeting of the Public Accounts Committee-II. In order to ensure expeditious and timely finalisation of the working papers, there should be a close coordination between the Departments concerned and the Audit.

The above observations of the Public Accounts Committee should be brought to the notice of all the Departments for strict compliance.

The Committee also noted with concern that the Administrative Department was not represented in the meeting either by the Secretary or his representative. The Managing Director, Punjab Dairy Corporation Ltd submitted a note which indicated that the Secretary, Livestock and Dairy Development was sick and admitted in the Mayo Hospital. Therefore, he was unable to attend the meeting. However, the Public Accounts Committee was of the view that if the Secretary could not attend the meeting for some reason, it was incumbent upon the next senior officer to be present in the meeting. It regretted the attitude of the Administrative Department in not sending its representative and directed that in future this practice should be avoided. The Public Accounts Committee further directed that the Administrative Department should be asked to attend the meeting of the Public Accounts Committee on 17-4-1988 at 10.00 A.M. wherein the working paper relating to the Punjab Dairy Corporation Ltd would be considered.

With the above directions/observations, the Committee postponed consideration of the working paper relating to the Punjab Dairy Corporation Ltd, which would now be considered

on 17-4-1988 at 10.00 A.M.

17-4-88

At this stage, the Committee decided not to proceed further and directed the Department to hold a meeting with the Finance Department today to finalize the deferred paras regarding write off sanctions, which will be reconsidered tomorrow.

18-4-88

At the out set, the Department was asked to inform the Committee about the progress made regarding the deferred paras which were to be discussed with the Finance Department on 17-4-1988. The representative of Finance Department stated that the Department could not produce the record necessary for examination of the cases. They were, therefore, asked to produce the complete record later.

22-4-91

The working papers pertaining to the Commercial Accounts of the Livestock Department for the year 1983-84 and 1984-85 were to be considered but the Department which was represented by its Additional Secretary showed inability to prepare the working paper in the short span of time and requested for more time for the purpose. The Committee did not appreciate this state of affairs and desired that the matter may be brought to the notice of the Additional Chief Secretary with the observation that all the Departments should be strictly directed to be ready with their working papers concerning the Commercial Accounts for consideration in the Public Accounts Committee. It was further desired that the Departments should come to the meeting of the Public Accounts Committee No.II with complete information/date and concrete progress on various

paras after holding and finalising fact finding inquiries wherever necessary and fixing responsibility against the defaulters. More so, tepid efforts to deal with the draft paras by supplying interim information should be avoided so that the time of the Committee is not wasted and it could function effectively and purposefully.

The Committee also desired that the working papers duly commented upon by the Audit and complete in every respect should be forwarded to the Assembly Secretariat atleast 10 days in advance so that the same could be despatched to the Members of the Committee atleast 7 days prior to a meeting as advance circulation for study by the Members.

The Director, Commercial Audit, informed the Committee that they had issued a reminder to the Departments in June, 1988, for preparing and completing the working papers for Audit Comments but nothing had been done so far. The Committee took serious exception to this situation and viewed that it depicted a gloomy scenario of the working of the Departments in so far as their dealing with outstanding Audit Paras was concerned. It was further felt that the Departments were not supposed to wait for the constitution of the Public Accounts Committee or, for that matter, till such time its meetings were actually fixed, rather, they should, as a continuing process carry on with the preparation of their working papers throughout the year so that these could be presented to the Public Accounts Committee as soon as required.

PUNJAB LIVESTOCK, DAIRY AND POULTRY DEVELOPMENT BOARD

The Committee examined the Accounts of the Punjab Livestock, Dairy and Poultry Development Board, Lahore, in its meetings held on 14-5-1988 and 15-5-1988.

1. Para 16 Page 21 of Audit Report On Commercial Accounts for the year 1983-84 - Likely Mis-appropriation of Rs. 1,46,282/-.

14-5-88

The Department explained that out of Rs. 1,46,282/- adjustment of Rs. 1,29,624/- has been verified by Audit. The balance amount of Rs. 16,658/- could not be verified as observed in the joint report of the Department and Audit, pertaining to this amount appears to be fictitious and recommended for settlement.

The Committee was not satisfied with this explanation of the Department and directed that thorough enquiry may be held and the relevant record may be traced out and revised working papers may be submitted in this respect.

The para was pending.

2. Para 17 Page 21 of Audit Report On Commercial Accounts for the year 1983-84 - Short Recovery of Sale Proceeds of Day Old Chicks Amounting to Rs. 1,32,841/-

14-5-88

1. a) Out of Rs. 83,365/- , Rs. 49,623/- had been recovered and verified by Audit.
- b) Regarding the remaining balance recovery of Rs. 33,442/- it was stated that the record could not be produced on account of recent Ofri Camp mishap and it may be pending.

2. 1) M/s Khan Brothers Rawalpindi regarding Rs. 13,826/87. The case was subjudice.

ii) It was pended on account of court case.

3. There was no likelihood of the recoveries from :-

1. M/s Khyber Food, Faisalabad - (Rs. 15,539/55);
2. M/s Chenab Food, Faisalabad - (Rs. 2,958/25);
3. M/s Arbor Acre, Rawalpindi - (Rs. 8,250/-);
4. M/s Beg Poultry Farm, Lahore - (Rs. 9,000/-).

The Committee directed that steps for regularisation may be taken.

The para was kept pending.

3. Para 31 Page 39 of Audit Report On Commercial Accounts for the year 1983-84 - Cattle and Pultry Food Mill, Shahkot. - - - - -

14-5-88

There was a performance Audit report regarding Feed Mill Shahkot. It dealt with in details the setting up of Feed Mill, Shahkot with all its short comings and pitfalls. It was decided that a Sub Committee consisting of the following may be constituted to probe in detail the subject and make its recommendations to the Committee :-

1. Mian Abdur Rashid, MPA
2. Malik Ghulam Abbas Niswana, MPA
3. Mian Ghulam Fareed Chishti, MPA
4. Malik Ghulam Haider Thind, MPA

4. Para 327 Page 478 of Audit Report On Commercial Accounts for the year 1983-84 - Working Results. - - - - -

14-5-88

The Department explained that the Board has since been

dissolved and Finance Department had been moved for sanction of write off. The Finance Department would make its report regarding its progress in the next meeting.

The para was kept pending.

5. Para 328 Page 479 of Audit Report On Commercial Accounts for the year 1983-84 - Consolidated Balance Sheet.

14-5-88

The Department explained that there was no problem for effecting the recovery as the amount was in hand as security with the Department and would be deducted from the final bill.

The para was, however, kept pending.

6. Para 329 Page 479 of Audit Report On Commercial Accounts for the year 1983-84 - Sundry Debtors.

15-5-88

The Department stated that recovery of Rs. 7,31,611/28 out of the total amount of Rs. 48,57,705/10 had been made. It further stated that the Punjab Livestock Board should have fixed the responsibility to recover the amount involved.

However, as the Punjab Livestock, Dairy and Poultry Development Board stood dissolved, the Punjab Livestock Department would fix the responsibility within sixty days and report the matter to the Public Accounts Committee accordingly.

The Public Accounts Committee acceded to the request of the Department and allowed a time limit of 60 days to complete the action.

The para would remain pending and would be resubmitted to the Committee in the form of a fresh working paper.

1984 - 85

7. Para 24 Page 25 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 37,887/- in the Supply of Water to Tenants. - - - - -

15-5-88

The Committee directed that immediate steps should be taken to recover Rs. 37,887/- from Mr. Abdul Majeed Virk who was still in service and compliance reported to the Public Accounts Committee as early as possible.

The Department assured to report compliance soon.

The para will remain pending.

8. Para 25 Page 25 of Audit Report On Commercial Accounts for the year 1984-85 - Non-recovery of Advance of Rs. 11,084/- From the Contractor. - - - - -

15-5-88

The balance amount of Rs. 5,878/- was stated to have been recovered from the contractor concerned.

Subject to verification of recovery by Audit, the para was settled.

9. Para 280 Page 373 of Audit Report On Commercial Accounts for the year 1984-85 - Working Results. - - - - -

15-5-88

The Department stated that a letter had been addressed to the Finance Department on 1-4-1988 that the losses of the defunct Punjab Livestock Board should be written off.

Subject to sanction of write off by the Finance Department and its verification by Audit, the para was settled.

10. Para 281 Page 373 of Audit Report On Commercial Accounts for the year 1984-85 - Write Off of Losses Sustained By the Board.

15-5-88

The Department stated that a letter had been addressed to the Finance Department on 1-4-1988 that the losses of the defunct Punjab Livestock Board should be written off.

Subject to sanction of write off by the Finance Department and its verification by Audit, the para was settled.

11. Para 282 Page 373 of Audit Report On Commercial Accounts for the year 1984-85 - Sundry Debtors. - - - - -

15-5-88

The Committee was not satisfied with the explanation of the Department as to the manner in which the cases were being followed in the Courts. It directed that the court cases should be pursued vigorously and progress reported to the Public Accounts Committee.

The case being sub-judice, the para would remain pending.

12. Para 283 Page 375 of Audit Report On Commercial Accounts for the year 1984-85 - Defalcation of Rs. 10,34,234/-.

15-5-88

The Committee noted that the Department was not able to explain the circumstances leading to the fraud and directed that it should provide complete details to ascertain as to who was responsible for the defalcation of the funds.

The para will remain pending.

13. Para 284 Page 375 of Audit Report On Commercial Accounts for the year 1984-85 - The Accounts Need to be Reconciled.

15-5-88

- 1) The amount of Rs. 1,40,657/- had been adjusted and

verified by Audit.

- ii) As for the adjustment of Rs. 2,16,711/-, the Department was directed to give full details of the case within 60 days.
- iii) The reconciliation of the outstanding amounts of P.L.P. Sheikhupura will be carried out with Lahore Milk Plant within sixty days.

The para will remain pending.

GENERAL DIRECTIVE

15-5-88

The Committee particularly observed that the Department had not attended the meeting after preparation on the items shown in the working paper. It directed that in future the Department should come fully prepared with complete facts and figures of each case so that the work of the Public Accounts Committee is facilitated and its time is fully utilized

CHAPTER VIII

TRANSPORT DEPARTMENT

1/6
TRANSPORT DEPARTMENT

PUNJAB ROAD TRANSPORT CORPORATION, LAHORE

The Committee examined the Accounts of the Punjab Road Transport Board in its meetings held on 23-2-1988, 24-2-1988 and 28-12-1989.

1970 - 71

1. Para 31 Page 24 of Audit Report On Commercial Accounts for the year 1970-71 - Non-Accountal of Apportionment of Assets and Liabilities.

23-2-1988

The Committee was informed that no progress was made to settle this para as the meeting of the apportionment committee had not yet taken place. The Committee felt that the matter had already been inordinately delayed, therefore, expeditious steps should be taken to get the issues settled. The Committee desired that the Federal Government may be approached to intimate about the progress within one month. The action in this regard would be taken by the Finance Department, Government of the Punjab.

The para was kept pending.

2. Para 33 Page 24 of Audit Report On Commercial Accounts for the year 1970-71 - Depreciation Charges Amounting to Rs. 17,304/-

23-2-1988

The Committee felt that it was not sufficient to regret for the delayed reply, rather the Department should fix responsibility for delay in furnishing reply.

The para was deferred.

3. Para 38 Page 26 of Audit Report On Commercial Accounts for the year 1970-71 - Oboalate and Surplus Stores Valuing Rs. 13,87,450/-.
-

23-2-1988

The Committee was informed that no progress was made to settle this para as the meeting of the Apportionment Committee had not yet taken place. The Committee felt that the matter had already been inordinately delayed, therefore, expeditious steps should be taken to get the issues settled. The Committee desired that the Federal Government may be approached to intimate about the progress within one month. The action in this regard would be taken by the Finance Department, Government of the Punjab.

The para was kept pending.

1973 - 74

4. Para 5 Page 9 of Audit Report On Commercial Accounts for the year 1973-74 - Infuctuous Expenditure of Rs. 60,744/- On the Import of Unsuitable Machinery. - - - - -
-

23-2-88

The Committee felt that it was not sufficient to regret for the delayed reply, rather the Department should fix responsibility for delay in furnishing reply.

The para was deferred.

5. Para 7 Page 10 of Audit Report On Commercial Accounts for the year 1973-74 - Non recovery of Advances/Penalties and Loss Direct Delay in Fabrication of Bodies and Non - return of Chessies. - - - - -
-

23-2-88

The Committee decided that this para will be considered and discussed after the report of the Sub Committee appointed for the purpose had been received.

6. Para 33 Page 26 of Audit Report On Commercial Accounts for the year 1973-74 - Loss Sustained On the Sale
Rs. 9,25,698/-. -----

23-2-88

The Committee desired that the details of the surplus/absolote material should be provided to the Committee in its next meeting.

As to the meeting of the Apportionment Committee the matter may be taken up with the Federal Government for holding the same, at an early date so that the matter could be resolved soon.

1977-78 To 1979-80

7. Para 202 Page 228 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - "Advance and Forward Payments" in the Balance Sheet. -----

23-2-88

The para was considered and the Committee directed that the Department should explain in the next meeting about the circumstances under which the appeal was not filed in the High Court in time and refund had become time barred.

1980 - 81

8. Para 14 Page 16 of Audit Report On Commercial Accounts for the year 1980-81 - Shortage of Spare Parts Worth
Rs. 93,300/-. -----

23-2-88

The Department explained that the previous enquiry proceedings had been quashed and fresh enquiry is in progress the result whereof, will be known shortly. The Committee desired that the progress in this case should be reported to the Committee in its next meeting.

1981 - 82

9. Para 11 Page 15 of Audit Report On Commercial Accounts for the year 1981-82 - Un-necessary Stocking of Spare Parts Rs. 9,42,207/-.
-

23-2-88

The para was kept pending as the Committee desired the Department to provide a complete list of surplus spare parts. The Department promised to do the needful in its next meeting.

10. Para 13 Page 16 of Audit Report On Commercial Accounts for the year 1981-82 - Wasteful Expenditure of Rs. 74,370/-.
-

23-2-88

The plea of the Department that responsibility could not be fixed on any official for non-installation of Engine Test Bednch at this belated stage was not accepted. The Committee desired that the Department should again look into the matter in detail and fix responsibility for this lapse, however, the para was kept pending as the record was stated to be with the Anti-Curruption Department.

11. Para 14 Page 17 of Audit Report On Commercial Accounts for the year 1981-82 - Loss of Rs. 2,11,665/- Due to Negligence of Drivers.
-

23-2-88

The para was considered and kept pending the Department stated that they were taking immediate steps to finalise the case of Mr. Tanveer Hussain, Driver expeditiously. The progress would be reported in the next meeting of the Committee.

12. Para 199 Page 212 of Audit Report On Commercial Accounts for the year 1981-82 - Shortages Worth Rs. 69,731/- and Excess Worth Rs. 38,542/-.
-

23-2-88

The para was deleted as the same appeared under Para 362

Page 524 of Audit Report On Commercial Accounts for the year 1983-84.

13. Para 200 Page 212 of Audit Report On Commercial Accounts for the year 1981-82 - Sundry Debtor Rs. 31,308 Millions.

23-2-88

This para deleted as it appeared under Para 308 Page 427 of Audit Report On Commercial Accounts for the year 1984-85.

1982 - 83

14. Para 27 Page 30 of Audit Report On Commercial Accounts for the year 1982-83 - Loss of Rs. 1.918 Million on Repair of Defective B.L.M.C. Make Buses.

23-2-88

This para was kept pending as the Punjab Road Transport Board assured the Committee that they would provide the required details and relevant data to the Audit for their satisfaction.

15. Para 28 Page 31 of Audit Report On Commercial Accounts for the year 1982-83 - Imported Machinery Worth Rs. 1.63 Million Lying Idle.

23-2-88

This para was kept pending as the meeting of the Board had not yet taken place where permission for the disposal of Furnace Plant would be sought. The Committee however, desired that steps should be taken to hold the meeting of the Board as early as possible. It was also decided that the P.R.T.B. should hold inquiry to fix responsibility as to how the Furnace Plant was received after the disposal of the Buses.

16. Para 29 Page 32 of Audit Report On Commercial Accounts for the year 1982-83 - Loss Due to Embezzlement of Cash Rs. 2,04,734/-.

23-2-88

The para was kept pending as the matter was sub-judice.

17. Para 30 Page 34 of Audit Report On Commercial Accounts for the year 1982-83 - Loss of Rs. 1,14,117/- Due to Premature of Tyres.

23-2-88

This para was settled subject to verification by the ~~xxx~~ Audit.

18. Para 32 Page 35 of Audit Report On Commercial Accounts for the year 1982-83 - Loss of Premature Failure of Tyres Rs. 20,988/-.

23-2-88

This para was settled subject to verification by the Audit.

1983 - 84

19. Para 22 Page 25 of Audit Report On Commercial Accounts for the year 1983-84 - Loss of Rs. 3,94,330/- Due to Burning of 39 Buses.

24-2-88

The para was settled subject to verification by the Audit. The matter may be regularized by the Department and shown to the Audit.

20. Para 23 Page 26 of Audit Report On Commercial Accounts for the year 1983-84 - Non-utilisation/Non-disposal of New Spare Parts Worth Rs. 1,44,376/- and Loss of Interest Amounting to Rs. 1,15,501/-.

24-2-88

The para was dropped. The Committee, however, directed that the meetings of the Board of Director should be held quite frequently to dispose of the matter pending decision of the Board.

21. Para 24 Page 27 of Audit Report On Commercial Accounts for the year 1983-84 - Non-recovery of Rs. 1,44,510/- from Ex-employees.

24-2-88

The para kept pending till compilation and investigation and recovery of the balance amount.

22. Para 25 Page 27 of Audit Report On Commercial Accounts for the year 1983-84 - Excess Expenditure on Telephone Calls Rs. 4,66,630/-

24-2-88

The para was kept pending. However the Department will fix responsibility about the Officer or Officials who were responsible for excessive calls and mis-use of telephone.

23. Para 26 Page 28 of Audit Report On Commercial Accounts for the year 1983-84 - Loss of Rs. 73,902/- Due to Failure of Engines of Buses.

24-2-88

The para was kept pending as the enquiry is in progress.

24. Para 27 Page 29 of Audit Report On Commercial Accounts for the year 1983-84 - Loss of Rs. 18,040/- Due to Premature Failure of Retreated Tyres.

24-2-88

The para was settled.

25. Para 28 Page 29 of Audit Report On Commercial Accounts for the year 1983-84 - Loss of Rs. 18,699/- Due to Non-recovery of Advances from the Ex-Employees.

24-2-88

The Department informed that a amount of Rs. 4,090/- had been recovered and the amount of Rs. 3,640/- was recoverable. The amount of Rs. 3,840/- could not be recovered due the circumstances explained by the Department. It was decided

that the Department may move for right off sanction for the amount of Rs. 3,640/-.

This para was settled subject to verification by Audit.

26. Para 29 Page 30 of Audit Report On Commercial Accounts for the year 1983-84 - Wasteful Expenditure of Rs.17,200/- on the Purchase of Staff Car. - - - - -

24-2-88

The para was settled subject to disposal of the Car.

27. Para 358 Page 523 of Audit Report On Commercial Accounts for the year 1983-84 - Operational Results of the Punjab Road Transport Board for the year 1982-83 - - - - -

24-2-88

The Committee agreed with the observations made by the Audit and gave directions to the Punjab Road Transport Corporation for better working and improvement of the system in the Corporation.

28. Para 359 Page 524 of Audit Report On Commercial Accounts for the year 1983-84 - (Sundry Debtors) - - - - -

28.12-89

The para was deleted as it was covered under Para No. 308 of 1984-85.

29. Para 360 Page 524 of Audit Report On Commercial Accounts for the year 1983-84 - (Non-production of Break Up or Details of Insurance Claims Rs. 0.292 Million). - - - - -

28-12-89

The Department explained that they were pursuing the matter with the National Insurance Corporation of Pakistan for the recovery of insurance claims amounting to Rs. 0.292 million and hoped that it would be finalised soon. The Department undertook to settle the matter within one month.

The Committee, however, allowed the Department to finalize the matter within a period of two months positively.

The para was kept pending.

30. Para 361 Page 524 of Audit Report On Commercial Accounts for the year 1983-84 - (Clearance of Suspense Account of Rs. 3,235 Million under Motor Vehicle). _____

28-12-89

As recommended by the Audit, the para was dropped.

31. Para 362 Page 524 of Audit Report On Commercial Accounts for the year 1983-84 - (Requirement of Investigation of Shortages with a view of Fix Responsibility on the Officers/Officials at Fault for Recovery thereof from Them). _____

28-12-89

Rs. 3,38,174/- had been verified by Audit and that a further amount of Rs. 64,742/- had also been recovered/adjusted which would be got verified from the Audit. The Department assured the Committee that the balance of Rs. 64,742/- would be recovered/adjusted within a period of two to three months. The Department further explained that total recovery/adjustment could be made only after the decision of the case with the Anti-Corruption Court involving an amount of Rs. 33,540/-. However, the final settlement will be effected on the announcement of the judgement by the Anti-Corruption Judge in a case involving Rs. 33,540/- out of the balance of Rs. 81,492/-.

The Committee took a serious view of the fact that no departmental inquiry had been instituted and responsibility fixed even after the lapse of a period of more than 3 years, as there is no bar in holding departmental proceedings simultaneously.

The Committee, therefore, directed that immediate inquiry

may be intiated and report submitted to the Committee within three months without fail .

The para was kept pending.

32. Para 363 Page 524 of Audit Report On Commercial Accounts for the year 1983-84 - (Clearance of Stock of Store and Spare Rs. 28,544 Million as on 30.6.1983 included Obsolete/Surplus Store Amounting to Rs. 3,019 Million).

28-12-89

The Department stated that adjustment of obsolete/surplus stores valuing Rs. 2,569 Million had bee got verified by the Audit. Moreover, further adjustment of stores worth Rs. 3,58,000/- and Rs. 37,497/- had also been made and would be got verified. This leavies a balance of Rs. 55,287/- out of which some amount might have to be written off due to obsolete/surplus stores. The Committee took serious notice of the slow progress of adjustment made in this case.

The Committee directed that the adjustment of balance amount may be completed within three months and report be submitted accordingly.

The para was kept pending.

33. Para 364 Page 524 of Audit Report On Commercial Accounts for the year 1983-84 - Non-approval of Accounts for the year Undue Revied by Punjab Road Transport Board.

28-12-89

The Department stated that the Administrator of the defunct Punjab Road Transport Board (Managing Director, PRTC) had since approved the accounts of the P.R.T.B and the Audit objection had thus been met.

The para was dropped subject to verification by Audit.

34. Para 365 Page 524 of Audit Report On Commercial Accounts for the year 1983-84 - Non-provision of Token Tax On Boards Vehicles to Government/Exemption Certificate from the Government.

28-12-89

The Department stated that the case regarding the exemption of token tax on the vehicles of defunct P.R.T.B. was pending with the Government of the Punjab.

The Committee observed that personal efforts should be made to get the case expedited within two months.

The para was kept pending.

1984 - 85

35. Para 3 Page 5 of Audit Report On Commercial Accounts for the year 1984-85 - Scope of Compilation. - - - - -

28-12-89

On the recommendation of the Audit, the para was dropped.

36. Para 26 Page 27 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 104 Million Due to Excessive Consumption of Diesel and Engine Oil.

28-12-89

The Department stated that the revised yard stick for the consumption of diesel oil and engine oil had been issued and would be got verified from the Audit.

The Public Accounts Committee directed that in future if there was any necessity of revision of the yard stick, it should be done at the appropriate time in a bonafide manner and may not be exclusively revised just to meet the Audit objection. The revision should in future be intimated to the Audit before hand.

The para was dropped subject to the above observation.

37. Para 27 Page 27 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 4,500/- due to Non-recovery of Old Outstanding Advances from the Ex-employees

28-12-89

It was stated that the recovery of Rs. 19,375/- had been written off by the competent authority as there was no possibility of its recovery from the ex-employees.

The para was dropped, subject to verification by Audit. The Committee, however, noticed with concern that the machinery had neither been installed nor disposed of since 1975 and observed that such a negligence and in action was lamentable.

38. Para 28 Page 28 of Audit Report On Commercial Accounts for the year 1984-85 - Wasteful expenditure of Rs. 1,107/- on the Purchase of Machinery and Excess Charging of Depreciation Amounting to Rs. 2,736/-.

28-12-89

The Committee was not satisfied with the explanation of the Department about the import of unnecessary machinery for the fabrication of bus bodies.

The Committee, therefore directed that the Department might take immediate action as to the use or disposal of the machinery. The whole exercise should be completed within a maximum period of three months positively under verification by the Audit.

The para was kept pending.

39. Para 29 Page 29 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 6,07,500/- Due to Non-lodging of Claim for Premature Condemned Tyres.

28-12-89

The Department explained that the value of 82 out of 176 inferior quality tyres had been written off. As to the remaining 89 tyres, the case for their write off was under

process.

The Committee directed that detailed investigation about the premature writing off of the tyres may be carried out and its full justification provided to Audit.

The para was dropped subject to verification by Audit.

40. Para 30 and 31 Page 29 and 30 of Audit Report On Commercial Accounts for the year 1984-85 - Blockade of Funds on Account of Un-utilized Spare Parts of Buses
Valuing Rs. 9,39,595/- - - - - -

28-12-89

The Department explained that the surplus spares worth Rs. 74,599/- had been disposed of. As to the remaining surplus spare parts, action was under way for the disposal/write off of the same.

Subject to verification of the disposal and write off, the para was dropped.

41. Para 32 Page 31 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 76,895/- Due to
Premature Failure of Engine Parts - - - - -

28-12-89

The Department undertook to produce documentary evidence for verification of the Audit in support of its reply that the engine parts were imported from M/s P.B. Valve, Sweden alongwith vehicles donated to the former P.U.T.C. and the the necessity for using those spare parts arose in 1983, i.e. after the prescribed warranty period.

The Committee, however, directed that in future the agreement should contain a condition that the warranty period shall start from the date of requirement of the use of the spare parts and not from the date of import/receipt of the spares.

The para was dropped subject to verification by Audit.

42. Para 33 Page 32 of Audit Report On Commercial Accounts for the year 1984-85 - Loss of Rs. 19,960/- Due to Non-recovery of Loss of Tickets from Ex-Conductors.

28-12-89

The Department stated that adjustment/recovery of Rs. 19,403/- had been verified by Audit. As to the remaining amount of Rs. 556/40, the case was pending with the Anti-Corruption Court. The Committee observed that as the major amount had been adjusted and only a small amount of Rs. 556/40 now remained to be adjusted, the loss might be regularised.

The para was dropped.

43. Para 306 Page 426 of Audit Report On Commercial Accounts for the year 1984-85 - The Operational Results of the Board for the year 1983-84. - - - - -

28-12-89

The explanation of the Department was accepted and the para was dropped.

GENERAL OBSERVATIONS

28-12-89

The Committee directed that the Department should finalise action on all the pending paras within a period of three months.

44. PROVINCIAL ASSEMBLY OF THE PUNJAB
No. Comm/PAC-II/88/ 2301

Immediate
Out To Day

From Mr. Safdar Ali Shah,
Secretary,
Provincial Assembly of the Punjab.

To

The Secretary to Government, Punjab :

- 1) Finance Department
- 2) Irrigation and Power Department

- 3) Agriculture Department
- 4) Industries and Mineral Development Department
- 5) Transport Department
- 6) Excise and Taxation Department
- 7) Forestry and Wildlife Department
- 8) Health Department
- 9) Livestock, Dairy and Poultry Development Department

Dated Lahore, the 9th May, 1988.

Subject: DIRECTIVE OF PUBLIC ACCOUNTS COMMITTEE - II.

Sir,

I am directed to inform you that the Public Accounts Committee-II of the Provincial Assembly of the Punjab in its meeting held on 16-4-1988 had noticed with concern that the working papers of the Departments were not received in the Assembly Secretariat well in time so as to be despatched to the Members of the Committee at their homes. It was, therefore, decided by the Committee that in future the Administrative Departments should invariably supply their working papers to the Assembly Secretariat at least seven days before the scheduled meeting so that the Members could receive them at their residences three days before the meeting. In case, the working papers were not received by the Members within that margin, the consideration of the same will be postponed to a subsequent meeting of the Committee.

It has further been desired by the Committee that in order to ensure expeditious and timely finalisation of the working papers, there should be close coordination between the Department concerned and the Auditor.

It is requested that steps may please be ensured that instructions of the Public Accounts Committee-II are strictly

complied with so that working papers are supplied to the Members of the Committee within the stipulated period.

Your obedient servant,

Sd/-

(MIAN ABDUL HAYE)
Deputy Secretary,
Provincial Assembly of the Punjab.

No. & even:

A copy of the above is forwarded for information to:-

- 1) The Director General,
Commercial Audit,
6th Floor, Jamil Chamber, Saddar,
Karachi - 3.
- 2) The Director,
Commercial Audit,
1st Floor, A.G.P. T&T Building,
Nabha Road,
Lahore.

Sd/-

(MIAN ABDUL HAYE)
Deputy Secretary,
Provincial Assembly of the Punjab.



Report Typed

by

"Haji Alamgir"