

Report(1990-91)

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Preface

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

2. As a rule, no money can be spent on any service over and above the money granted by the Assembly for the purpose. Excess expenditure, if any, is viewed seriously. PACs examine, with reference to the facts of each case, the circumstances leading to any excess expenditure, or immoderate savings and make appropriate recommendations.
3. As required under Article 171 of the Constitution of the Islamic Republic of Pakistan, Appropriation Accounts and Finance Accounts of the Government of the Punjab and Reports of the Auditor-General of Pakistan for the year 1990-91 were laid in the Provincial Assembly of the Punjab on 30 October 1994. The Assembly referred the Report on Commercial Accounts to Public Accounts Committee-I (PAC-I), and the other reports (Civil, Works and Revenue Receipts), to Public Accounts Committee-II (PAC-II), for consideration.
4. These, along with the Reports of former and succeeding years remained under consideration of different PACs, including the *ad hoc* PAC, from 1991 to 2002.

Commercial Accounts

5. PAC-I, constituted on 25 June 1994, consisted of Mian Muhammad Afzal Hayat (*Chairman*), Raja Riaz Ahmad, Mr Amanullah Khan, Haji Muhammad Afzal Chan, Mian Muhammad Rashid, Pir Muhammad Shah Khagga, Sirdar Zulfiqar Ali Khan Khosa, Mian Imran Masood, Syed Zafar Ali Shah and Syed Tabish Alwari. The Committee considered the Audit Report on Commercial Accounts in its meeting on 3 April 1995; however, before it could proceed further in the matter, the Assembly was dissolved on 17 November 1996.
6. The pending work was then considered by the next PAC-I, constituted on 14 October 1997. It consisted of Raja Muhammad Khalid Khan (*Chairman*), Raja Muhammad Javaid Ikhlas, Mr Usman Ibrahim, Mr Zia Ahmad Khan, Haji Ahmad Khan Haral, Haji Muhammad Sharif, Dewan Mushtaq Ahmad, Ch Talib Hussain, Haji Ihsan-ud-Din Qureshi and Sardar Awais Ahmed Khan Leghari. This Committee, too, considered the report in its meetings on 5-7 July 1999. However, the Assembly was placed under suspension with effect from 12 October 1999 under the Proclamation of Emergency; and, with that PAC-I ceased to function.

Civil, Works and Revenue Receipts

7. PAC-II, constituted on 25 June 1994, consisted of Mr Muhammad Arif Chatha (*Chairman*), Mian Intisar Hussain Bhatti, Mian Manazir Ali Ranjha, Malik Muhammad Ishaq Bucha, Mr Khalid Pervez Virk, Mian Ata Muhammad Khan Manika, Mr S.A. Hameed, Chaudhry Muhammad Riaz, Chaudhry Muhammad Iqbal and Syed Akhtar Hussain Rizvi. The Committee considered the reports in a series of meetings; however, it ceased to function with the dissolution of the Assembly on 17 November 1996.

8. The remaining work was then taken up by PAC-II constituted on 14 October 1997. It consisted of Ch Muhammad Safdar Shakir (*Chairman*), Mr Mansoor Ahmad Khan, Khawaja Saad Rafique, Mr Akhtar Mahmood, Ch Zafar Ullah Cheema, Sardar Naemullah Khan Shahani, Sardar Amjad Hameed Khan Dasti, Haji Muhammad Nawaz, Mian Imran Masood, and Rana Sana Ullah Khan. The Committee further considered the reports; however, it also ceased to exist as a result of the suspension of the Assembly with effect from 12 October 1999 under the Proclamation of Emergency.

Ad hoc PAC

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

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

11. The Committee decided to finalize the report for the year 1990-91 on the basis of the decisions taken by the earlier PACs, as well as its deliberations on 5, 10, 12 and 13 June 2002. The Committee, in its meeting on 15 August 2002, approved the Report.

12. This Report is arranged in 23 Chapters. Chapter 1 contains a summary of the deliberations of the PACs about the Appropriation Accounts. The remaining Chapters deal with the audit paras/ observations separately arranged for each department. A synopsis for each department has been added for ready reference.

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

(Dr Syed Abul Hassan Najmee)

15 August 2002

Secretary
Provincial Assembly of the Punjab

Abstract

APPROPRIATION ACCOUNTS

Total Grants	Grants Finally Settled	Grants Settled subject to approval of Excess Budget Statement	Grants Pended
47	9	4	34

AUDIT PARAS

Total Paras	Paras Noted	Paras Finally Settled	Paras Conditionally Settled	Paras Pended
1093	80	311	568	134

Introduction

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

2. The Provincial Assembly's Public Accounts Committees considered the Appropriation Accounts and the Auditor-General's Report on the Accounts (1990-91) of the Government of the Punjab; however, they ceased to function on the suspension of the Assembly on 12 October 1999.

3. To clear the backlog, the *ad hoc* PAC considered the Report on the Accounts (1990-91) in its special meetings. Based on the minutes of the meetings of the previous PACs as well as those of the *ad hoc* PAC, the Report on the Accounts (1990-91) has now been compiled.

4. In its meeting held on 15 August 2002, the *ad hoc* PAC approved the submission of the Report to the Finance Minister.

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

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

(Riyaz H. Bokhari)

Chairman

***Ad hoc* Public**

15 August 2002
Accounts Committee

Appropriation Accounts

Overview

Total No. of Grants	Settled	Pended
47	13	34

Abstract

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

TABLE I

Grants Settled

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

Grant No & Title	Final Grant (Rs.)	Expenditure (Rs.)	Saving/Excess (Rs.)	Remarks
1. Opium	600,360	599,583	(-) 777 (0.12%)	Minutes dated 17-4-1995, issued vide No. PAC/Civil/90-91/95/2487 dated 11-6-1995.
3. Provincial Excise	32,554,590	31,054,590	(-) 1,500,000 (4.60%)	Minutes dated 17-4-1995, issued vide No. PAC/Civil/90-91/95/2487 dated 11-6-1995.
8. Other Taxes and Duties	49,656,630	48,622,380	(-) 1,034,250 (2.08%)	Minutes dated 28-2-1995, issued vide No. PAC/Civil/90-91/95/1718 dated 22-4-1995 and Minutes dated 17-4-1995, issued vide No. PAC/Civil/90-91/95/2487 dated 11-6-1995.
19. Fisheries	40,966,600	40,966,600	–	Minutes dated 25-5-1995, issued vide No. PAC/Civil/90-91/95/2957 dated 28-6-1995.
20. Veterinary	361,234,140	361,234,140	–	Minutes dated 27-3-1995, issued vide No. PAC/Civil/90-91/95/2233 dated 25-5-1995.
28. Pensions	1,967,008,000	1,739,230,000	(-) 227,778,000 (11.58%)	Minutes dated 27-3-1995, issued vide No. PAC/Civil/90-91/95/2233 dated 25-5-1995.
33. State Trading in Food Grain & Sugar	(c) 527,197,960	522,537,119	(-) 4,660,841 (0.88%)	Minutes dated 21-2-1995, issued vide No. PAC/Civil/90-91/95/1389 dated 6-4-1995.
	(v) 8,876,256,810	6,068,194,297	(-) 2,808,062,513 (31.64%)	Minutes dated 21-2-1995, issued vide No. PAC/Civil/90-91/95/1389 dated 6-4-1995.

38. Agriculture Improvement & Research	92,590,510	68,960,722	(-) 23,629,788 (25.52%)	Minutes dated 20-2-1995, issued vide No. PAC/Civil/90-91/95/1955 dated 3-5-1995.
Nil. Permanent Debt	(c) 1,020,000	–	(-) 1,020,000 (100%)	Minutes dated 27-3-1995, issued vide No. PAC/Civil/90-91/95/2233 dated 25-5-1995.

TABLE II

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

Grant No & Title	Final Grant (Rs.)	Expenditure (Rs.)	Saving/Excess (Rs.)	Remarks
2. Land Revenue	239,131,210	239,161,756	(+) 30,546 (0.01%)	Minutes dated 27-3-1995, issued vide No. PAC/Civil/90-91/95/ 2233 dated 25-5-1995.
12. Jails and Convict Settlements	224,157,430	230,874,416	(+) 6,716,986 (2.99%)	Minutes dated 22-2-1995, issued vide No. PAC/Civil/90-91/95/ 1488 dated 13-4-1995.
30. Subsidies	648,600,000 *483,100,000	561,847,500 *561,847,500	(-) 86,752,500 (13.37%) (+) *78,747,500 (16.30%)	Minutes dated 29-05-1996, issued vide No. PAC/Civil/90-91/95/3915 dated 8-8-1996.
Nil Repayment of Loans from the Federal Govt.	(c) 771,381,000	771,401,486	(+) 20,486	Minutes dated 27-3-1995, issued vide No. PAC/Civil/90-91/95/ 2233 dated 25-5-1995.

*After reconciliation

TABLE III Grants Pended

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

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
4. Stamps	21,461,360	21,461,360	–	Not discussed
5. Forest	244,770,870	261,342,195	(+) 16,571,325 (6.77%)	Pended. Minutes dated 19-8-1996, issued vide No. PAC/Civil/90-91/95/5900 dated 14-9-1996.
6. Registration	5,490,330	5,490,330	–	Not discussed
7. Charges on account of Motor Vehicles Act	15,830,450	15,441,524	(-) 388,926 (2.46%)	Partly settled. Minutes dated 17-4-1995, issued vide No. PAC/Civil/90-91/95/2487 dated 11-6-1995.
9. Irrigation and Land Reclamation	1,901,743,870	2,076,995,813	(+) 175,251,943 (9.22%)	Partly settled. Minutes dated 28-2-1995, issued vide No. PAC/Civil/90-91/95/1718 dated 22-4-1995 and Minutes dated 25-3-1999, issued vide No. PAC/Civil/90-91/95/7342 dated 28-5-1999.
10. General Admn.	(c) 36,895,420	36,895,420	–	Pended. Minutes dated 8-1-2001, issued vide No. <i>ad hoc</i> PAC (3)/2000/265 dated 20-1-2001.
	(v) 1,390,798,180	859,594,012	(-) 531,204,168 (38.19%)	Partly settled. Minutes dated 27-3-1995, issued vide No. PAC/Civil/90-91/95/2233 dated 25-5-1995 and Minutes dated 29-2-1996, issued vide No. PAC/Civil/90-91/95/1716 dated 4-4-1996.
11. Admn. of Justice	(c) 66,368,580	66,368,580	–	Not discussed.
	(v) 188,023,470	194,379,199	(+) 6,355,729	Not discussed.

			(3.38%)	
13. Police	2,849,509,480	2,874,705,026	(+) 25,195,546 (2.88%)	Pended. Minutes dated 22-2-1995, issued vide No. PAC/Civil/90-91/95/1488 dated 13-4-1995.
14. Museums	5,075,560	5,075,560	–	Not discussed
15. Education	8,726,294,750	9,007,953,213	(+) 281,658,463 (3.23%)	Partly settled. Minutes dated 19-4-1995, issued vide No. PAC/Civil/90-91/95/2740 dated 18-6-1995.
16. Health Services	2,175,002,790	2,607,499,902	(+) 432,497,112 (19.88%)	Partly settled. Minutes dated 20-8-1996, issued vide No. PAC/Civil/90-91/95/121 dated 18-1-1997 and Minutes dated 29-12-1998, issued vide No. PAC/Civil/90-91/95/4871 dated 17-2-1999.
17. Public Health	96,079,650	101,313,263	(+) 5,233,613 (5.44%)	Not discussed
18. Agriculture	708,080,670	765,147,435	(+) 57,066,765 (8.05%)	Partly settled. Minutes dated 30-5-1996, issued vide No. PAC/Civil/90-91/95/3915 dated 8-8-1996.
21. Co-operation	82,962,880	82,962,880	–	Not discussed.
22. Industries	97,403,400	97,291,297	(-) 112,103 (0.11%)	Not discussed.
23. Miscellaneous	292,907,890	292,249,253	(-) 658,637 (0.22%)	Partly settled. Minutes dated 25-5-1995, issued vide No. PAC/Civil/90-91/95/2957 dated 28-6-1995 and Minutes dated 29-2-1996, issued vide No. PAC/Civil/90-91/95/1716 dated 4-4-1996.
24. Civil Works.	(v) 597,409,470	598,094,523	(+) 685,053 (0.11%)	Partly settled. Minutes dated 20-4-1999, issued vide No. PAC/Civil/90-91/95/7602 dated 7-6-1999 and Minutes dated 29-9-1999, issued vide No. PAC/Civil/90-91/95/11855 dated 1-12-1999.
	(c) 3,234,500	3,988,576	(+) 754,076 (23.31%)	Minutes dated 20-4-1999, issued vide No. PAC/Civil/90-91/95/7602 dated 7-6-1999.
25. Communications	572,577,530	565,168,558	(-) 7,408,972 (1.29%)	Partly settled. Minutes dated 23-5-1995, issued vide No. PAC/Civil/90-91/95/2899 dated 24-6-1995.
26. Housing &PP	56,058,790	183,396,955	(+) 127,338,165 (227.15%)	Pended. Minutes dated 29-9-1999, issued vide No. PAC/Civil/90-91/95/11855 dated 1-12-1999.
27. Relief	76,946,550	79,970,412	(+) 3,023,862 (3.93%)	Not discussed
29. Stationery & Printing	92,022,370	84,205,697	(-) 7,816,673 (8.49%)	Not discussed
31. Miscellaneous	584,213,420	777,966,329	(+) 193,752,909 (33.16%)	Partly settled. Minutes dated 22-2-1995, issued vide No. PAC/Civil/90-91/95/1488 dated 13-4-1995.
32. Civil Defence	17,001,700	17,884,242	(+) 882,542 (5.19%)	Subject to reconciliation. Minutes dated 22-2-1995, issued vide No. PAC/Civil/90-91/95/1488 dated 13-4-1995.
34. Schemes of State Trading in Medical Stores & Coal	618,335,200	229,502,886	(-) 388,832,314 (46.71%)	Partly settled. Minutes dated 20-8-1996, issued vide No. PAC/Civil/90-91/95/121 dated 18-1-1997.
35. Loans to Government Servants	50,000,000	–	(-) 50,000,000 (100%)	Not discussed
36. Development	5,897,344,560	6,075,253,081	(+) 177,908,521 (3.01%)	Partly settled. Minutes dated 25-5-1995, issued vide No. PAC/Civil/90-91/95/2957 dated 28-6-1995.
Forest	115,721,000	97,275,277	(-) 18,445,723 (15.93%)	Minutes dated 25-5-1995, issued vide No. PAC/Civil/90-91/95/2957 dated 28-6-1995.
	*115,721,000	*96,715,277	*(-) 19,005,723 (16.42%)	
37. Irrigation Works	1,216,854,200	1,869,417,873	(+) 652,563,673 (53.63%)	Partly settled. Minutes dated 20-2-1995, issued vide No. PAC/Civil/90-91/95/1955 dated 3-5-1995 and Minutes dated 20-8-1996, issued vide No. PAC/Civil/90-91/95/121 dated 18-1-1997.
39. Industrial Development	15,590,000	6,044,000	(-) 9,546,000 (61.23%)	Not discussed.

40. Town Development	80,720,000	83,515,090	(+) 2,795,090 (3.46%)	Partly settled. Minutes dated 29-9-1999, issued vide No. PAC/Civil/90-91/95/11855 dated 1-12-1999.
41. Roads and Bridges	2,247,900,010	2,687,599,367	(+) 439,699,357 (19.56%)	Partly settled. Minutes dated 27-2-1995, issued vide No. PAC/Civil/90-91/95/1488 dated 13-4-1995 and Minutes dated 20-4-1999, issued vide No. PAC/Civil/90-91/95/7602 dated 7-6-1999.
42. Government Buildings	2,514,240,010	2,111,280,621	(-) 402,959,389 (16.02%)	Partly settled. Minutes dated 20-4-1999, issued vide No. PAC/Civil/90-91/95/7602 dated 7-6-1999.
43. Loans to Municipalities, Autonomous Bodies	594,190,000	910,318,427	(+) 316,128,427 (53.20%)	Pended. Minutes dated 27-3-1995, issued vide No. PAC/Civil/90-91/95/2233 dated 25-5-1995.
Nil. Floating Debt (c)	6,966,008,500	6,482,700,000	(-) 483,308,500 (6.94%)	Partly settled. Minutes dated 21-3-1995, issued vide No. PAC/Civil/90-91/95/1389 dated 6-4-1995 and Minutes dated 27-3-1995, issued vide No. PAC/Civil/90-91/95/2233 dated 25-5-1995.
Nil. Interest on Debt & other obligations (c)	7,848,330,000	7,954,911,601	(+) 106,581,601 (1.35%)	Pended. Minutes dated 27-3-1995, issued vide No. PAC/Civil/90-91/95/2233 dated 25-5-1995.

*[After reconciliation.](#)

Agriculture Department

Overview

Total Paras	Civil	Annexure Paras	Commercial
122	43	22	57

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 16	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	Commercial: 1, 2, 3(i), 3(ii), 3(iii), 3(iv), 3(v), 3(vi), 3(vii), 3(viii), 3(ix), 4, 5, 6, 16, 40.	16
Paras Finally Settled 62	Paras finally settled as the requisite action had been taken.	Civil: 1.1(4), 1.24, 1.27, 1.3, 1.6(a), 1.6(b), 1.6(c), 1.7(c), 1.8, 1.9, 1.10, 1.11, 1.12, 1.14, 1.15, 1.16, 1.17, 1.18, 1.19, 1.20, 1.22, 1.25, 1.28, 1.29, 1.30 1.31, 2.1, 2.4, 2.5.	29
		Performance Audit: Performance Audit Report on Strengthening of Pesticides Quality Control and Research in Punjab was settled.	
		Commercial: 8, 17, 18, 21, 22, 28, 32, 33, 36, 41, 44, 45, 48, 52, 53, 55, 56.	17
		Annex Paras: 1(1)(i)/81-82, 2(i)/81-82, 2(ii)/81-82, 2/80-81, 3(ii)/80-81, 3(iii)/80-81, 21-23(i)/83-84, 21-23(ii)/83-84, 21-23(iii)/83-84, 21-23(v-viii)/83-84.	16
Paras Conditionally Settled 44	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the	Civil: 1.1(1), 1.1(2), 1.1(3), 1.2, 1.4, 1.5, 1.7(a), 1.7(b), 1.13, 1.21, 1.23, 1.26, 2.2, 2.3.	14
		Annex Paras: 1(1)(ii-iii)/81-82, 1(1)(iv)/81-82, 2/79-80,	6

same .	21-23(iv)/83-84,6(2)/83-84.	24
	Commercial: 7, 19, 20, 23, 24, 25, 26, 27, 29, 30, 31, 34, 35, 37, 38, 39, 42, 43, 46, 47, 49, 50, 51, 54.	

Discussed on 14 and 20 February 1995, 30 May 1996, 7 April, 5-6 July 1999,

5, 12 and 13 June 2002

Civil Audit

1. Para 1.1(1): Page 9 – Loss Due to Expiry of Pesticides and Storage Thereof (Rs.873,053) (EADA (Ext.), T.T. Singh)

Audit had observed: “Pesticides worth Rs.2,762,044 stored since 1980 by different formations of Agriculture Dept., detailed below, lost their utility with the passage of time. Moreover a sum of Rs.278,320 was also paid as rent of stores for these expired pesticides.”

20-2-95: (a) Wastage of Pesticides for Rs.644,893 The Department explained that number of expired pesticide stores were reduced from 1900 to 112. A policy decision for their dumping was pending with the Chief Minister/Government of the Punjab. The para was kept pending.

20-2-95: (b) Payment of Rent of Store for Rs.228,160 The Department explained that number of expired pesticide stores were reduced from 1900 to 112. A policy decision for their dumping was pending with the Chief Minister/Government of the Punjab. The para was kept pending.

30-5-96: The Department explained that a summary about the burial of expired pesticides in barren area near the existing stores had been submitted to the Chief Minister, Punjab for approval which was awaited.

The PAC directed that the Minister for Agriculture should personally pursue the case with the Chief Minister, Punjab to get it finalized at the earliest, so that the expired pesticides could be disposed of as early as possible. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action

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

2. Para 1.1(2): Page 9 – Loss Due to Expiry of Pesticides and Storage Thereof (Rs.862,306) (EADA, Kamalia)

For Audit observation, *see* Sr.No.1 above.

20-2-95: (a) Wastage of Pesticides for Rs.839,906 The Department explained that number of expired pesticide stores were reduced from 1900 to 112. A policy decision for their dumping was pending with the Chief Minister/Government of the Punjab. The para was kept pending.

20-2-95: (b) Payment of Rent of Store for Rs.22,400 The Department explained that number of expired pesticide stores were reduced from 1900 to 112. A policy decision for their dumping was pending with the Chief Minister/Government of the Punjab. The para was kept pending.

30-5-96: The Department explained that a summary about the burial of expired pesticides in barren area near the existing stores had been submitted to the Chief Minister, Punjab for approval which was awaited.

The PAC directed that the Minister for Agriculture should personally pursue the case with the Chief Minister, Punjab to get it finalized at the earliest, so that the expired pesticides could be disposed of as early as possible.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 1.1(3): Page 9 – Loss Due to Expiry of Pesticides and Storage Thereof (Rs.1,274,948) (EADA, Gojra)

For Audit observation, *see* Sr.No.1 above.

20-2-95: (a) Wastage of Pesticides for Rs.1,247,188 The Department explained that number of expired pesticide stores were reduced from 1900 to 112. A policy decision for their dumping was pending with the Chief Minister/Government of the Punjab. The para was kept pending.

20-2-95: (b) Payment of Rent of Store for Rs.27,760 The Department explained that number of expired pesticide stores were reduced from 1900 to 112. A policy decision for their dumping was pending with the Chief Minister/Government of the Punjab. The para was kept pending.

30-5-96: The Department explained that a summary about the burial of expired pesticides

in barren area near the existing stores had been submitted to the Chief Minister, Punjab for approval which was awaited.

The PAC directed that the Minister for Agriculture should personally pursue the case with the Chief Minister, Punjab to get it finalized at the earliest, so that the expired pesticides could be disposed of as early as possible. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para 1.1(4) : Page 9 – Loss Due to Expiry of Pesticides and Storage Thereof (Rs.30,057) (Farm Manager, Agri. Seed Farm. 357/JB, Gojra)

For Audit observation, *see* Sr.No.1 above.

20-2-95: Recovery had been effected. The para was settled, subject to verification by Audit.

30-5-96: The Department explained that recovery had been effected and verified by Audit. Therefore, **the para was settled.**

5. Para 1.2: Page 10 – Recoveries of Rs.516,931 on Account of Credit Sale of Pesticides Not Effected

Audit had observed: “Pesticides worth Rs.783,621 were supplied to various Zamindars on credit basis during 1976-77 and 1977-78. Out of the said amount recoveries to the extent of Rs.266,690 were made and the balance amount of Rs.516,931 was still outstanding against them.”

20-2-95: The case of recovery from the Zamindars on account of pesticides as arrears of land revenue be pursued vigorously with the revenue authorities. If the recovery of the amount involved was not possible a case of write off sanction from the Finance Department might be moved. The para was kept pending.

30-5-96: The Department explained that pesticides had been sold to Zamindars and the recoverable amount from each Zamindar comes to Rs.14. The lists of defaulters had been provided to the Revenue Department for recovery as arrear of land revenue. Efforts were being made to effect recovery as arrear of land revenue.

The PAC observed that recoverable amount per head was quite nominal and if the Government continued to pursue the recovery it would result in extra expenditure more than the actual recovery. Therefore, the Department was directed to get the loss written off by the Finance Department. The para was kept pending for write off sanction of loss by Finance Department.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 1.3: Page 10 – Sale Proceeds of Seeds Worth Rs.256,479 Not Recovered

Audit had observed: “An amount of Rs.256,479 was shown outstanding against various cultivators in the books of E.A.D.A. Kasur, since July, 1987 on account of credit sale of crops seed to them. No action was taken by departmental authorities to recover such huge amount.”

20-2-95: The explanation of the Department was accepted and **the para was settled.**

7. Para 1.4: Page 10 – Non-Recovery of Rs.516,931 Outstanding Dues Amounting to Rs.254,234 of Pesticides

Audit had observed: “Pesticides amounting to Rs.417,501 were sold to various Zamindars, by E.A.D.A. Depalpur during 1976-78 on deferred payment basis. Out of which recoveries amounting to Rs.254,234 were still outstanding.”

20-2-95: The para was kept pending for recovery or write off of the balance amount.

30-5-96: The Department explained that pesticides had been sold to Zamindars and the recoverable amount from each Zamindar comes to Rs.14. The lists of defaulters had been provided to the Revenue Department for recovery as arrear of land revenue. Efforts were being made to effect recovery as arrear of land revenue.

The PAC observed that recoverable amount per head was quite nominal and if the Government continued to pursue the recovery it would result in extra expenditure more than the actual recovery. Therefore, the Department was directed to get the loss written off by the Finance Department.

The para was kept pending for write off sanction of loss by Finance Department.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para 1.5: Page 11 – Irregular Apportionment of Electricity Charges – Loss of

Rs.208,620

Audit had observed: “Residents of Agriculture Colony have been provided with electricity sub-meter permanently from the main meter installed in the office building. WAPDA is charging commercial tariffs for the entire electricity consumed on the main meter whereas residents are being charged domestic tariff rates for the electricity consumed by them. This has resulted in an extra payment of Rs.208,620 during 1989-90...Audit would suggest that;

- i) Disciplinary action be taken against the officials responsible for the loss to govt;
- ii) The loss be recovered from the users and;
- iii) Immediate steps taken to install direct domestic meters from WAPDA at all the residences.”

20-2-95: The Department was being charged for electricity consumption of Agriculture Colony on commercial tariff by WAPDA while residents of the Colony were being charged by the Department on domestic tariff. So a loss of Rs.208,620 was sustained by the Department.

The Department explained that residents of the colony were being charged on domestic tariff due to the fact that separate domestic meter for colony was not provided and efforts were being made to get the separate domestic meter for colony.

The Committee directed the Department to take up the matter with General Manager/ Member Power WAPDA for installation of separate domestic meter for colony. The para was kept pending, till recovery or write off.

30-5-96: The Department explained that WAPDA authorities had been requested to install independent domestic meters in the colony but they were reluctant to do so. The Department was trying its best to get the domestic meters installed in the colony. In the meantime, recovery bills for the payment of difference between commercial and domestic rates had been issued to the residents but they had refused to pay electricity charges on commercial rates.

The Committee directed that the Department should either resolve the issue with WAPDA or recover the electricity charges from the residents of colony on commercial rates. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 1.6 (a): Page 11 – Sale Proceeds of Agriculture Produce and Fruit Plants not Deposited Rs.71,990

Audit had observed: “A sum of Rs.71,990 realized by the Extra Assistant Director of Agriculture Rawalpindi from July, 1988 to July, 1990 on account of sale proceeds of agriculture produce and fruit plants was not deposited into Govt. Treasury.”

20-2-95: Settled subject to verification of factual position by Audit.

30-5-96: The Department explained that the entire amount of sale proceeds of agriculture produce had been deposited into Government Treasury and got verified by Audit. Therefore, **the para was settled.**

10. Para 1.6(b): Page 11 – Sale Proceeds of Agriculture Produce and Fruit Plants not Deposited Rs.165,421

Audit had observed: “A sum of Rs.165,421 was realized by the Farm Manager, Govt. Seed Farm Chillianwala Distt. Gujrat during 1977-78 & 1978-79 from the sale of wheat against which a sum of Rs.95,629 had been deposited into the treasury.”

20-2-95: The para was settled subject to verification of recovery by Audit.

30-5-96: The Department explained that complete recovery had been effected and got verified by Audit. **The para was settled.**

11. Para 1.6 (c): Page 12 – Sale Proceeds of Agriculture Produce and Fruit Plants not Deposited Rs.15,234

Audit had observed: “Fruit plants valuing Rs.15,234 were sold during 1/90 to 3/90 by the E.A.D.A. Murree. Sale proceeds had not been deposited into Government Treasury.”

20-2-95: As the entire amount of the para had been recovered, **the para was settled.**

12 Para 1.7(a): Page 12 – Recovery Outstanding – Rs.31,252

Audit had observed: “Oil seeds valuing Rs.31,252 were sold by the E.A.D.A. Rawalpindi during Dec. 1982 and Jan., 1986 from Government Agriculture Farms Mirriots. Sale proceeds were recoverable from purchasers.”

20-2-95: The Department was directed to reconcile the account with the G.C.P. and to effect recovery from Mirza Hadayat Ullah. The para was kept pending.

30-5-96: The Department was directed to reconcile the accounts with the Ghee Corporation of Pakistan and to effect recovery from Mirza Hadyat Ullah, Field Assistant within two months. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 1.7(b): Page 12 – Recovery Outstanding – Rs.97,748

Audit had observed: “A sum of Rs.97,748 was being shown outstanding against various

cultivators, relating to the period from 1974 to 1990, in the account of E.A.D.A Kharian District Gujrat.”

20-2-95: The Department was directed that case of recovery of Government dues from the cultivators as arrears of land revenue may be pursued with the revenue authority.

The para was kept pending for recovery or write off.

30-5-96: The Department explained that case for the write off sanction had been submitted to the Finance Department and was being pursued vigorously. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

14. Para 1.7(c): Page 12 – Recovery Outstanding – Rs.39,798

Audit had observed: “A sum of Rs.39,798 was being shown outstanding against various tenants in the accounts of Government Seed Farm Chillianwala District Gujrat out of which a sum of Rs.14,476 was deposited on 16-9-1990 at the instance of audit. The balance amount of Rs.25,322 was still recoverable.”

20-2-95: The para was settled subject to verification of recovery by Audit.

30-5-96: The Audit informed the Committee that the realized amount of Rs.39,798 had been deposited into the Government Treasury and verified by Audit. **The para was settled.**

15. Para 1.8: Page 13 – Amount Outstanding Against Tenants not Recovered (Rs.81,616)

Audit had observed: “Scrutiny of tenants register of D.G. Rice Research Kala Shah Kaku showed that amount of Rs.81,616 on account of recovery towards share of Fertilizer, Rice straw. Pesticides, Bhoosa and Fodder for Kharif, 1989 and Rabi 1989-90 was still outstanding against the tenants.”

20-2-95: The recovery was effected and verified by Audit. **The para was settled.**

16. Para 1.9: Page 13 – Sale Proceeds of Wheat Seed Not Recovered/Deposited into Treasury Rs.75,387

Audit had observed: “Rs.75,387 as value of wheat seed shown issued to various departmental authorities by the Farm Manager, Govt. Seed Farm Chillianwala District Gujrat during the period from October 1979 to October 1985 was not recovered/deposited into Govt. treasury.”

20-2-95: The para was settled subject to reconciliation with para 1.6(b).

30-5-96: The Department explained that recovery had been effected and got verified by

audit. **The para was settled.**

17. Para 1.10: Page 13 – Non Recovery of Outstanding Govt. Dues From Tenants– Rs.70,791

Audit had observed: “Tenants ledger accounts, maintained by the Farm Manager, Agriculture Seed Farm, 357-JB, Gojra, District T.T.Singh, showed that an amount of Rs.70,791 was outstanding against the tenants as on 30.6.1990.”

20-2-95: The Department was directed to get the recovery verified by Audit. The para was settled subject to verification of recovery.

30-5-96: The Committee was informed that the Department had deposited the amount of recovery which had been verified from the deposit challans and credit verification certificate given by the DAO.

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

18. Para 1.11: Page 14 – Receipts Not Accounted For in the Cash Book Rs.67,805

Audit had observed: “A sum of Rs.67,805 realized on account of Government revenue by the Farm Manager, Government Seed Farm, Chillianwala Distt. Gujrat from November 1985 to October, 1987, as per counterfoils of receipts, had not been accounted for in cash book and shown deposited into Government treasury.”

20-2-95: The Public Accounts Committee directed that in future all transactions should be routed through the cash book. The Department should maintain proper record for verification from Audit.

The Public Accounts Committee settled the para subject to the above observations.

30-5-96: The Audit informed the Committee that the Department was maintaining proper record as per directive of the PAC and compliance had been verified. **The para was settled.**

19. Para 1.12: Page 14 – Wasteful Expenditure Worth Rs.56,188

Audit had observed: “Two drivers were appointed in July 1987 by Chief, Planning and Evaluation Cell Agriculture Deptt. and paid pay and allowances amounting to Rs.56,188 without performing duty for which they were appointed because there was no Govt. vehicle for them to drive.”

20-2-95: The explanation of the Department was accepted and **the para was settled.**

20. Para 1.13: Page 14 – Shortage of Pesticides Worth Rs.55,096

Audit had observed: “An examination of the store books showing that the pesticide had leaked. The responsibility was not fixed for this loss to the Government. “

20-2-95: The Department was directed to reconcile the account of remaining amount i.e.

of short entries, excess rate calculated by Audit, duplicity etc. The para was kept pending for balance recovery.

30-5-96: The Department explained that an amount of Rs.28,936 had been recovered and verified by Audit. A case for the write off sanction of Rs.19,486 had been sent to Finance Department. The para was kept pending for write off sanction by Finance Department.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

21. Para 1.14: Page 15 – Shortage of Pesticides Worth Rs.42,138

Audit had observed: “In the office of E.A.D.A., Kasur pesticides worth Rs.42,138 were shown short (at the time of handing over/taking over the charge or at the time of annual physical verification of shores). But neither the cost of short pesticides was recovered from the defaulters nor disciplinary action taken against them.”

20-2-95: The para was pending till the remaining amount of Rs.12,419 was recovered/written off.

30-5-95: The explanation of the Department was accepted and **the para was settled.**

22. Para 1.15: Page 15 – Loss Due to Sale of Wheat Bhoosa at Lesser Rate – Rs.33,525

Audit had observed: “Farm Manager, Agriculture Seed Farm, 357-JB, Gojra, Distt. T.T. Singh, sold wheat bhoosa during 1988-89 at the rate of Rs.12.50 per 40 k.g. whereas prevailing market rate, as confirmed by the local market committee, was Rs.16 to Rs.20 per 40 k.g. In this way Govt. sustained a loss of Rs.33,525.”

20-2-95: The explanation of the Department was accepted and **the para was settled.**

23. Para 1.16: Page 15 – Over Payment of Rs.33,304

Audit had observed: “A sum of Rs.33,303 was noticed to have been overpaid to various officials of E.A.D.A. Rawalpindi as a result of incorrect fixation of pay on Ist July, 1972/1973/1983.”

20-2-95: As the entire amount of the para was recovered, **the para was settled.**

24. Para 1.17: Page 15 – Salary Paid Without Attendance Rs.25,176

Audit had observed: “The amount of Rs.25,176 was drawn and shown paid as salary to Mr Muhammad Adil Sultan, Junior Clerk. He was not actually working in the office as verified from the attendance register.”

20-2-95: The explanation of the Department was accepted and **the para was settled.**

25. Para 1.18: Page 16 – Non-Receipt of Foreign Journals Worth Rs.22,343

Audit had observed: “A sum of Rs.22,343 was paid by the Director General, Agriculture (Research) A.A.R.I, Faisalabad, during 1988-89 to the firms for the purchase of British Journals, but the same had not been received even after the lapse of more than one and a half years period.”

20-2-95: The actual recovery of Rs.21,254.54, had been made and verified. **The para was settled.**

26. Para 1.19: Page 16 – Overpayment of House Rent Allowance/Non-Recovery of House Rent – Rs.19,267

Audit had observed: “Residential accommodation constructed for Farm Manager, Government Seed Farm Chillianwala District Gujrat was in the possession of the Officer whereas he was drawing 30% house rent allowance instead of paying 5% house rent. Thus, Government sustained a loss of Rs.19,267 on this account from September, 1988 to August, 1990.”

20-2-95: The explanation of the Department was accepted and **the para was settled.**

27. Para 1.20: Page 16 – Shortage of Pesticides Valuing – Rs.15,700

Audit had observed: “During the course of physical verification of various stores of E.A.D. A. Chunian conducted by the Deptt. during the year 1989-90 it was noticed that pesticide valuing Rs.15,700 were found short. No action was taken to make good the loss from the officials concerned.”

20-2-95: The Department explained that requisite recovery was effected and verified by Audit. **The para was settled.**

28. Para 1.21: Page 17 – Outstanding Recovery of Rs.2,714,311 on Account of Spray of Pesticides

Audit had observed: “In the office of Extra Asstt. Director of Agriculture, Wazirabad, an amount of Rs.2,714,311 on account of spray of pesticide on crops from 1971 to 1990 was recoverable from farmers. The revenue Department was requested to recover the Govt. dues from the farmers as arrears of land revenue but no effective steps have been taken so far.”

20-2-95: The Department was directed to get the loss written off by the Finance Department. The para was kept pending.

30-5-96: The Department explained that a case for write off sanction of the loss of Rs.27,14,311 had been submitted to the Finance Department and the decision of the Finance Department is awaited.

The para was kept pending till decision of write off sanction of the said loss.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

29. Para 1.22: Page 17 – Govt. Dues Outstanding Against Patadars – Rs.304,000

Audit had observed: “Ledger book of the tenants/patadars maintained by Extra Assistant Director of Agriculture, Ehsanpur, showed Govt. dues amounting to Rs.304,000 outstanding against them since long. The rate of recovery during the last four years was very low, ranging from two or five hundred each year from individual tenants, whereas the outstanding dues against some tenants were ranging from ten to fifteen thousand each.”

20-2-95: The para was settled subject to verification of recovery by Audit.

30-5-96: The Department explained that entire recovery had been effected and deposited into the Government Treasury. The position had also been verified by Audit. **The para was settled.**

30. Para 1.23: Page 17 – Payment of Rent for Storage of Expired Pesticide Rs.11,732

Audit had observed: “An expenditure of Rs.11,732 was incurred on payment of rent for storage of pesticides for July, 1987.”

20-2-95: The Department explained that number of expired pesticide stores were reduced from 1900 to 112. A policy decision for their dumping was pending with the Chief Minister/ Government of the Punjab. The para was kept pending.

30-5-96: The Department explained that a summary about the burial of expired pesticides in barren area near the existing stores had been submitted to the Chief Minister Punjab, for approval which was awaited.

The PAC directed that Minister for Agriculture should personally pursue the case with the Chief Minister, Punjab to get it finalized at the earliest, so that the expired pesticides could be disposed of as early as possible. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

31. Para 1.24: Page 18 – Un-Authorized Opening of Bank Account

Audit had observed: “The Extra Asstt. Director of Agriculture, Khanewal collected cotton from green belt, weighting 12040 kg during the year July 1989 to June 1990. This was sold to Seed

Corporation during February 1990 and March, 1990. The sale proceeds amounting Rs.90,070 were deposited in a bank account No.E-20 opened in favour of Extra Asstt. Director of Agriculture, Khanewal, without prior sanction of Finance Department.”

20-2-95: The Public Accounts Committee directed the Department to seek permission from Finance Department for opening of Bank Account.

Anyhow, subject to the said permission, the para was settled.

30-5-96: The Department explained that a payee’s cheque was received for making payment to the patadars for the cotton purchased from them. Since the patadars were pressing for immediate payment, therefore, the bank account was opened immediately without obtaining the permission of the Finance Department.

The PAC accepted the explanation and **the para was settled** with the remarks that such instances should not be repeated and such an account should not be opened without the permission of the Finance Department.

32. Para 1.25: Page 18 – Misappropriation of Wheat and Raya – Rs.76,440

Audit had observed: “The store keeper of Rape-Seed Botanist, Agriculture, Research Station, Khanpur misappropriated wheat weighing 30,800 k.g. and Raya weighing 1221 kg by working out wrong/less balances in store-book No.13 and by handing over less balance at the time of handing over charge. The cost of wheat @ Rs.85 per 40 kg and Raya @ Rs.9 per kg respectively works out to Rs.76,440.”

20-2-95: The Department explained that case for 16000 kg Wheat and 200 kg Raya costing Rs.3,580 was sub-judice. The remaining amount of Rs.40,639 cost of 14800 kg wheat was being recovered from the defaulter, a field assistant, at the rate of Rs.500 which subsequently increased to Rs.1000. His two increments were also stopped.

The para was kept pending till the finalization of court case and recovery.

30-5-96: The Department explained that recovery had been effected and verified by Audit. **The para was settled.**

33. Para 1.26: Page 18 – Loss on Account of Leakage of Pesticides –Rs.48,690

Audit had observed: “During physical verification of stores pesticides worth Rs.48,690 were found short in 19 field offices of Extra Assitt. Director of Agriculture (Ext.) R.Y.Khan. The shortage was stated to be due to leakage. Responsibility for shortage was not fixed. The case for recovery of the loss was also not initiated.”

20-2-95: The Department was directed to get the remaining amount recovered/written off. The para was kept pending.

30-5-96: The Department explained that a summary about the burial of expired pesticides in barren area near the existing stores had been submitted to the Chief Minister, Punjab for

approval which was awaited.

The PAC directed that the Minister for Agriculture should personally pursue the case with the Chief Minister, Punjab to get it finalized at the earliest, so that the expired pesticides could be disposed of as early as possible. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

34. Para 1.27: Page 19 – Un-Authorized Withdrawal of Rs.43,517

Audit had observed: “The Government of Punjab, Finance Department imposed complete ban on withdrawal of amounts for contingent expenditure during June 1990. Contravening the instructions, an amount of Rs.43,517 was drawn by Extra Assistant Director of Agriculture, Khanewal on 30th June 1990 for expenditure on purchase of fertilizer.”

20-2-95: The Department was directed to get the irregularity regularized by Finance Department. The para was kept pending for departmental action against the concerned DAO and D.D.O.

30-5-96: The Department explained that the amount of Rs.43,517 was drawn in dire need of funds to purchase the fertilizer. Therefore, a bill was submitted to D.A.O. The concerned officer of the Department was not aware of the ban contingent charges, neither the D.A.O. pointed out and passed the bill. As such, it happened through misunderstanding in good faith.

The PAC was not satisfied with the explanation and directed that the Agriculture Department and the Finance Department should take action against the officers at fault. With the above directive, **the para was settled.**

35. Para 1.28: Page 19– Wasteful Investment of Rs.33,488 in a Rented Office Building

Audit had observed: “The Chief Planning & Evaluation Cell, Lahore advances Rs.300,000 to the Director, Economic Research Institute (Punjab), Lahore for conducting monitoring and evaluation Survey of Gujranwala Agriculture Development Project. Out of this amount Rs.33,488 were spent by the Director, Punjab Economic Research Institute on the construction of a cabin in his rented office building. The expenditure was incurred for the purpose other than it was meant for and without prior approval of the Finance Department.”

The expenditure was incurred for the purpose other than it was meant for and without prior approval of the Finance Department.”

20-2-95: The explanation of the Department was accepted and **para was settled.**

36. Para 1.29: Page 20– Non-Recovery of Auction Money of Fruit Gardens – Rs.30,000

Audit had observed: “Fruit gardens attached with office of Extra Assistant Director of Agriculture, Bahawalpur at Mianwali and Bociwala were auctioned for the period April 1989 to March 1990 on the terms and conditions that:-

1. At the end of auction, the highest bidder will deposit one fourth of total bid.
2. The balance amount will be deposited before plucking the fruits.
3. In case of violation, the auction will be treated as cancelled.

The fruit gardens were auctioned on 27th April, 1989 for Rs.19,000 and Rs.11,000 respectively. The highest bidder did not pay one fourth of the auction money at the time of auction. He also did not pay balance before plucking the fruits. In preliminary reply it was stated that responsibility for non-realization would be fixed after investigation.”

20-2-95: The explanation of the Department was accepted and **para was settled.**

37. Para 1.30: Page 20– Suspected Embezzlement of Sale Proceeds of Machinery – Rs.29,352

Audit had observed: “The Extra Assistant Director of Agriculture, Taunsa, sold plant protection machinery worth Rs.29,352 to farmers on subsidized rates in November, 1983. Sale proceeds were, however, not deposited into Government account.”

20-2-95: The explanation of the Department was accepted and **para was settled.**

38. Para 1.31: Page 20– Shortage of Store Articles – Rs.20,910

Audit had observed: “Store articles worth Rs.20,910 were less handed over by the ex-store-keeper of Rape Seed Botanist, Agriculture Research Station, Khanpur on his transfer in January, 1989, as revealed from stock register No.7,8 and 13.”

20-2-95: As the recovery of the entire amount has been effected **the para was settled.**

39. Para 2.1: Page 22– Misappropriation of Material Amounting to Rs.517,332

Audit had observed: “In the office of Water Management Coordinator, Lahore material valuing Rs.517,332 was issued for a water course but the issue was neither got verified from audit nor completion reports thereof supplied to audit despite lapse of more than four years. The officer to whom the material was issued for use on water course had since been transferred to other place without handing over the material at the time of his transfer.”

20-2-95: The Department explained that material worth Rs.515,087 had been verified by Audit. The balance amount had also been recovered and the responsible official had been punished under (E & D) Rules. **The para was settled.**

40. Para 2.2: Page 22 Non-Recovery of Surplus Material – Rs.305,446

Audit had observed: “ Construction material valuing Rs.350,665 was issued in excess of the actual requirement for civil works on the water courses. These water courses were finally completed and volume thereof was also verified by NES PAK but surplus material was neither received back in the main store nor cost thereof was recovered.”

20-2-95: The Audit informed that after verification of recovery of Rs.237,977 the amount of the para had been reduced to Rs.107,885/45.

The Department explained that the amount of loss was being recovered from the defaulting official Mr. Muhammad Nawaz, Ex-Supervisor, as arrears of land revenue. The defaulter had also been removed from service. The Public Accounts Committee was of the view that a criminal case should had been filed against the defaulter which might be done now by the next meeting.

The para was kept pending till the finalization of recovery and criminal case.

30-5-96: The Department explained that in pursuance of PAC’s directive dated 20-2-95 a criminal case had been registered. A separate case for effecting recovery from the dismissed Supervisor Muhammad Nawaz, as arrears of land revenue had already been sent to the Deputy Collector concerned. Material worth Rs.31,510 had been damaged due to floods, therefore, the case for writing off of the loss had been submitted to the Government for sanction.

The Committee directed that write off case of Rs.31,510 and recovery as arrears of land revenue should be pursued vigorously. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

41. Para 2.3: Page 22– Suspected Less Deposit/Embezzlement Rs.190,731

Audit had observed: “As per details noted in the recovery register (maintained by Water Management Specialist, Chunian and Sheikhpura under administrative control of Water Management Coordinator, Lahore) an amount of Rs.400,023 was shown recovered from

farmers on account of their share for the renovation of their water channels. The amount was shown as deposited into treasury. However, according to treasury challans produced to audit an amount of Rs.201,292 only was deposited. It was therefore, suspected that an amount of Rs.190,731 had been embezzled in the offices concerned.”

20-2-95: The Department explained that full recovery had been made. The para was settled subject to verification by Audit.

30-5-96: The Department explained that concerned Tehsildar had effected the recovery and issued necessary certificate in this regard.

The para was settled subject to verification of recovery by Audit.

42. Para 2.4: Page 23– Over Payment on Account of Excess Measurement Volume of Masonary Work Claimed Excess Rs.40,346

Audit had observed: “Water Management Specialist, T.T. Singh, Jhang, Kamalia and Shorkot under control of Water Management Coordinator, Faisalabad claimed excessive volume of masonry work by showing excessive length of water courses brick-lined. At the time of physical verification of work by the NESPAK quantity of masonry work turned out to be less than the claimed. In this way Government was put to a loss of Rs.40,346 by showing excessive quantity of work on water courses.”

20-2-95: The Department explained that defaulters had been penalized i.e. (i) Muhammad Nawaz, Supervisor was removed from service & (ii) one increment of Kaleem-ur-Rehman was withheld. Consumption of material worth Rs.24,350 was verified by Audit & recovery of Rs.15,304 was also verified by Audit. **The para was settled.**

43. Para 2.5: Page 23– Loss of Rs.35,586 on Account of Local Purchase of Cement in Respect of Government Allocated Factory Quota

Audit had observed: “According to terms and conditions of agreement with the Contractor, he was required to lift the Govt. quota of cement fixed for Water Management Coordinator, Sahiwal, from Zeal Pak Factory, Hyderabad upto 31.12.1989. But the contractor failed to lift 135 tons out of total Quota of 600 tons of cement upto 31.12.1989 i.e. from which price of cement was enhanced from Rs.1,514 to 1627 per ton. Instead of lifting the said quota of 135 tons even after depositing the balance of rates, with the Government owned factory, the W.M.C, Sahiwal preferred to make local purchase of cement at Rs.2,013/60 per ton by getting refund from the factory in 7/90 without proper approval of the competent authority. The local purchases of cement caused a loss of Rs.35,586 to the Government due to non-lifting of Government quota of 135 tons @ Rs.1,750 per ton (Factory Rate of Rs.1514+carriage @ Rs.236 per ton) in time as pointed out in original para.

In case the difference between enhanced rates of cement was paid to the factory and required quota lifted, the cost per ton inclusive of transportation charges would have been Rs.1,863 per ton i.e. Rs.93/15 per bag and Rs.20,331 (purchase of 2700 bags @ 7/53) would have been saved.

The justification of the department was not found satisfactory. The loss involved may be recovered from the officer/officials concerned and deposited into Government treasury.”

20-2-95: The explanation of the Department was accepted and **para was settled.**

Performance Audit

44. Performance Audit Report on Strengthening of Pesticides Quality Control and Research in Punjab

30-5-96: The performance Audit Report on “Strengthening of Pesticides Quality Control and Research in Punjab was also considered by the Committee.

The explanation of the Department with regard to the said performance Audit Report was accepted by the Public Accounts Committee.

Annexure Paras

1. Para 1(1)(i) (1981-82): Page 295 – Serial 1, Misappropriation/Embezzlement Rs.231,335

14-2-95: It was explained that out of the total amount of Rs.231,335, a sum of Rs.129,190 had been recovered and verified by Audit. The existence of entries to the tune of Rs.54,577 had also been verified by Audit. The balance recovery of Rs.47,567 was yet to be verified by Audit. So far as the recovery of Rs.8,867 from Mr Mir Ahmed was concerned, the PAC was informed that the accused had been declared absconder since 19-11-1986 and had not been traced/arrested so far.

The Committee directed that the case for the write off of the loss of Rs.8,867 should be moved to the Finance Department on merits. Subject to verification of the recovery and the write off of the balance amount, the para was settled.

7-4-99: The Department explained that the recoverable amount had been recovered except a sum of Rs.8,867 which had been got written off by the Competent Authority. The position had also been got verified by Audit. The PAC accepted the explanation and **the para was settled.**

2. Paras 1(1)(ii & iii) (1981-82): Page 295 – Serial 1, Misappropriation/Embezzlement Rs.69,766 & 23,309

5-6-02: The paras had already been conditionally settled/dropped by the PAC. However, the Committee **settled the paras** with the direction that the Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directives of the PAC.

3. Para 1(iv)(1981-82): Page 295 – Serial 1, Misappropriation/Embezzlement Rs.30,061

7-4-99: The Department explained that the accused Agriculture Officer had been declared absconder and his whereabouts were not traceable. A criminal case had also been registered against him. Anyhow, the defaulter was not traceable and, therefore, recovery was not possible. A case for write off sanction of the loss was under process.

The Department was directed to move the case for the write off sanction of loss by the Competent Authority. The para was kept pending.

5-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

4. Para 2(i)(1981-82): Page 295 – Serial 2, Outstanding Recoveries Rs.485,506

14-2-95: The para had already been settled by the Public Accounts Committee on 16-3-1992.

5. Para 2(ii)(1981-82): Page 295 – Serial 3, Outstanding Recoveries Rs.150,849

14-2-95: The para had already been settled by the Public Accounts Committee on 19-11-1991.

6. Para 2(1980-81): Page 295 – Serial 4, Misappropriation of Rs.595,554

14-2-95: The para had already been settled by the Public Accounts Committee on 16-3-1992.

7. Para 3(ii)(1980-81): Page 295 – Serial 5, Shortage of Pesticides Rs.69,446

14-2-95: The para had already been settled by the Public Accounts Committee on 5-5-1988.

8. Para 3(iii)(1980-81): Page 295 – Serial 6, Shortage of Pesticides Rs.26,701

14-2-95: It was explained that in pursuance of Audit observation, the Departmental Inquiry had been conducted and the Finance Department had approved the write off. **The para was settled accordingly.**

9. Para 2(1979-80): Page 295 – Serial 7, Embezzlement of Rs.206,966

14-2-95: The para was settled subject to write off by the Finance Department and its verification by Audit.

10. Para 21 – 23(i)(1983-84): Page 296 – Serial 8, Shortage of Stores/Non-remittance of Sale Proceeds of Pesticides and Agriculture Machinery Rs.1,547,629, Cases of Shortage Pilferage of Pesticides and Agricultural Machinery Rs.272,910/80

14-2-95: The para had already been settled by the Public Accounts Committee on 5-4-1988.

11. Para 21 – 23(ii)(1983-84): Page 296 – Serial 8, Shortage of Store/Non-remittance of Sale Proceeds Rs.66,828/48

14-2-95: The para was settled, as the recovery and write off had been verified by Audit.

12. Para 21 – 23(iii)(1983-84): Page 296 – Serial 8, Shortage of Store/Non-remittance of Sale Proceeds Rs.7,453/80

14-2-95: The para was settled, as the recovery had since been verified by Audit.

13. Para 21 – 23(iv)(1983-84): Page 296 – Serial 8, Shortage of Store/Non-remittance of Sale Proceeds Rs.411,694

14-2-95: The write off case being under process with the Government, the para was kept pending.

7-4-99: The Department explained that a summary had been submitted to the Chief Minister for the write off sanction of the loss and his decision was being awaited.

The PAC settled the para subject to verification of the fact by Audit whether the amount of this para was included in the total amount of Rs.7.88 crore mentioned in the summary.

14. Paras 21 – 23(v-viii)(1983-84): Page 296 – Serial 8, Shortage of Store/Non-remittance of Sale Proceeds Rs.55,774 , Rs.13,614 , Rs.44,582 and Rs.14,593

14-2-95: The paras were settled as the write off sanction had been verified by Audit.

15. Para 6(2)(1983-84): Page 296 – Serial 9, Outstanding Recoveries Rs.10,200,423

14-2-95: The para was kept pending as the case of the balance amount was sub judice.

7-4-99: The Department explained that the case was pending in the High Court.

The PAC directed the Department to pursue the case in the court vigorously to get an early

decision. The para was kept pending.

5-6-02: The para had already been conditionally settled/dropped by the PAC. However, the Committee **settled the para** with the direction that the Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directives of the PAC.

16. Para 9(1983-84): Page 296 – Serial 10, Un-necessary Procurement of Pesticides Rs.6,500,000

14-2-95: The para was settled, as the write off sanction had been verified by Audit.

Commercial Audit

1. Paras 1 and 2: Pages 3 to 5 –

13-6-02: The Committee **noted** the paras.

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

Audit had observed: “Following Agricultural Engineering Divisions and PADC have not compiled their accounts.”

(i) Agricultural Engineering Division, Bahawalpur.	1990-91
(ii) Agricultural Engineering Division, D.G. Khan.	1990-91
(iii) Agricultural Engineering Division, Faisalabad.	1990-91
(iv) Agricultural Engineering Division, Gujranwala.	1990-91
(v) Agricultural Engineering Division, Jhelum.	1990-91
(vi) Agricultural Engineering Division, Multan.	1990-91
(vii) Agricultural Engineering Division, Rawalpindi.	1990-91
(viii) Agricultural Engineering Division, Sargodha.	1990-91
(ix) Punjab Agricultural Development and Supplies Corporation, Lahore.	1990-91

13-6-02: The PAC **noted** the contents of the Audit para and directed that the Departments

should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that the accounts are compiled and submitted to Audit on time.

3. Paras 4,5,6:

For Audit observation, *see* Sr.No.1 above.

13-6-02: The Committee **noted** the paras.

4. Para 7: Page 15 – Pesticides Delivered on Unsecured Credit. Un-recovered Rs.2.124 million

Audit had observed: “M/s Punjab Agricultural Development and Supplies Corporation, D.G. Khan executed an agreement to provide pesticides valuing Rs.1,999,977 on credit to M/s Ali Industries, D.G. Khan. As per prescribed procedure the management was required to secure the credit sale through mortgage deed of property and bank guarantee before making credit sale of pesticides. However, no such formality was observed and pesticides valuing Rs.1,499,069 with a down payment of Rs.100,000 were issued to the said client. The client did not repay the Corporation dues and resultantly caused a loss of Rs.2,123,885 (Rs.1,399,069 plus 11% compound interest from January 1, 1987 to December 30, 1990- Rs 724,816).”

6-7-1999: The Department explained that this credit sale of pesticide was secured loan as it had been allowed after observing all the required formalities. Proper agreement was executed with the party. Insurance guarantee was got in favour of Punjab Agricultural Development & Supplies Corporation and two guarantors had also signed the agreement. Since the loanee did not repay the amount, he was proceeded against promptly. He was arrested by the Tehsildar (Recovery) but was released on medical grounds. The loanee died on 9.12.92. The legal heirs and guarantors were proceeded against through a civil suit which was decided in favour of the Department (Punjab Agricultural Development & Supplies Corporation). The legal heirs and guarantors were declared defaulters for recovery of the amount from them as arrears of land revenue. Due to the strenuous efforts of the Department an amount of Rs.302,000 had been effected leaving a balance of Rs.1,197,069 The balance recovery would be effected as arrears of land revenue.

The PAC directed the Department that strenuous efforts may be made to recover the balance amount from the legal heirs and guarantors as arrears of land revenue in accordance with the court decision. Administrative Secretary should make D.O. references to the D.C. concerned for recovery as arrears of land revenue. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para**

subject to the following direction–

The Department shall implement the directive of the PAC dated 6 July 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 8: Page 15 – Expected Loss of Rs.106,000 Due to Non-disposal of Defective Threshers

Audit had observed: “In Punjab Agricultural Development and Supplies Corporation seven threshers worth Rs.106,050 were lying unsold on December 1, 1990. These threshers were purchased during 1983-85 and could not be disposed of being defective/below specification.”

6-7-1999: The Department explained that 17 wheat threshers had been sold out during 1990-91 and 1992. The remaining threshers had also been sold out.

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

6. Para 17: Page 27 – Decline in Bulldozer Operation Hours

Audit had observed: “The working results of the Bahawalpur Division for the year 1989-90 as compared with those of the previous year 1988-89

The strength of bulldozers reduced from 194 in 1988-89 to 183 in 1989-90 due to auction/deletion of 26 bulldozers and addition of 15 new D50A-17 bulldozers. The number of bulldozers in operation also reduced from 97 in 1988-89 to 83 in 1989-90. Resultantly the operational hours of bulldozers decreased from 165,078 in 1987-88 to 161,963 in 1988-89 and 157,383 hours in 1989-90. The declining trend in the operational performance of bulldozers in terms of hours needs to be explained.”

5-7-1999: The Department explained that the deficiency in achievement of targeted operational hours of bulldozers was only 2455 hours, which was negligible, and had occurred because a good number of machines remained out of order.

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

7. Para 18: Page 28 – Decline in Boring Operation

Audit had observed: “The boring operations are perpetually on decline. The achievement in footage decreased from 46,776 ft. in 1987-88 to 37,881 in 1988-89 and 24,944 in 1989-90. The boring operations need to be improved and also diversified so as to avoid idleness of boring staff and machinery and resultant loss of revenue income.”

5-7-1999: The Department explained that decline in footage and in cash income was due to the fact that private sector extended deferred payment facility to the farmers. Also the private sector was operating most modern machinery and technique in drilling which was lacking in Government sector. This very fact effected the progress in shape of footage & cash income of Government organization. Anyhow, the Government sector was trying to meet the

challenge. The Government had now appointed an independent Agricultural Engineer (W.D) in each region to make up the deficiency and results were encouraging.

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

8. Para 19: Page 28 – Operational Loss

Audit had observed: “The Division sustained loss of Rs.1.068 million in 1989-90. As against loss of Rs.0.700 million in 1988-89. The increase in loss by Rs.0.368 million was mainly due to decrease in actual cash income from bulldozers and boring by Rs.1.285 million in 1989-90 as compared to the previous year 1988-89. Actual cash income needs to be increased by prompt repairs and maximum operation of bulldozers.”

5-7-1999: The Department explained that subsidy was being allowed to the Zamindars on commercial rates while Audit was insisting to calculate the same on full rates. This aspect of subsidy calculation remitted in loss only on papers. However, the Audit had agreed with the version of the Department in the year 1990-91 and onward. The position had been improving as the organization had been showing profit.

The PAC **settled the para** with the observation that the Department should seek advice from the Finance Department about calculation of subsidy as to whether the same should be calculated on commercial basis or full rate basis.

9. Para 20: Page 28 – Non-maintenance of Accounts on Commercial Pattern.

Audit had observed: “The books of accounts on commercial pattern like general ledgers, journal vouchers and subsidiary ledgers have not been maintained. The accounts have been prepared on the basis of figures appearing in various statements and returns. Maintenance of these books of accounts is again stressed upon the Management.”

5-7-1999: The Department explained that all the accounts were being maintained on commercial pattern.

The PAC directed the Department that accounts allegedly being prepared on commercial pattern may be got verified by Finance Department to ascertain whether these were factually being maintained on commercial pattern or not. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 5 July 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para 21: Page 29 – Unsatisfactory Working Results.

Audit had observed: “The working results of the Division for the year 1989-90 as compared with those of the previous year 1988-89

The above table reveals that the Division earned a net profit of Rs.2.422 million in 1989-90 as against loss of Rs.1.267 million in 1988-89. The main reasons of profit was the addition of 20 new D-50 A-17 bulldozers resulting in increase in (i) working hours by 3.61% (ii) cash income by 11.42% and (iii) subsidy by 21.82% over the previous year whereas the expenditure for the year remained almost static as compared with the previous year. However the cash income was not proportionately increased as compared to the year 1988-89 when the Division earned income of Rs.19.034 million from 69 bulldozers. Actually this income on 89 bulldozers should have been more than Rs.24.55 million. The machines in operation also did not achieve the target hours, and was 94.53% of targeted hours. Steps need to be taken to achieve the targeted hours, (ii) keep the bulldozers in operation, and (iii) control the expenditure so that the profitability of the Division may be maintained in the years to come.”

5-7-1999: The Department explained that audit comments related to the year 1989-90 and compared with the year 1988-89. Actually there was substantial improvement during the year 1989-90. The 20 new bulldozers were received in 1/1990 i.e. in the middle of the financial year. Had this addition been received earlier, the performance would have been better. In the next year the income had increased to Rs.49.041 million and working hours to the extent of 140824 had been achieved.

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

11. Para 22: Page 30 – Disproportionate Increase in Cash Income and Subsidy.

Audit had observed: “During the year under review the cash income increased by 11.42% over the previous year whereas the subsidy increased by 21.82%. The disproportionate increase in subsidy as compared to increase in cash income needs explanation. The details of subsidy worked out by the Division with supporting schedules may also be provided to Audit.”

5-7-1999: The Department explained that the detailed position had been got checked by the Audit during the certification of accounts for the year 1989-90. The increase in subsidy was a minor adjustment in hire rates of bulldozers from 4/90 onward.

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

12. Para 23: Page 30 – Non-verification of Transfer of Stores.

Audit had observed: “Stores of Rs.4,139,921 and Rs.26,600 were received and transferred from/to other divisions but no confirmation/acknowledgements were received. Needful may be done now.”

5-7-1999: The Department explained that necessary acknowledgement for store received/transferred had been obtained and would be got verified by Audit at the time of getting comments.

The PAC settled the para subject to verification of record pertaining to receipt/transfer of store.

13. Para 24: Page 30 – Non-reconciliation of Withdrawal from Treasury

Audit had observed: “No proof regarding reconciliation of withdrawals from treasuries was produced to Audit for verification. The figures need to be reconciled with the District Accounts Offices, if not already done.”

5-7-1999: The Department explained that reconciled statement of withdrawal from the treasury were available and would be shown to Audit at the time of getting the comments.

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

14. Para 25: Page 30 – Proper Maintenance of Assets Register

Audit had observed: “The consolidated assets register showing the historical cost of each asset, date of acquisition, depreciation charged thereon, accumulated depreciation and their written down value has not been maintained so far. Needful for maintenance of consolidated assets register is again stressed upon the Management.”

5-7-1999: The Department explained that Assets Register were maintained on the proper pattern and would be got verified by audit at the time of getting comments.

The PAC directed that relevant record may be shown to the Finance Department for verification and to ascertain whether the pattern adopted for the maintenance of accounts was as per requirement or not. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 5 July 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

15. Para 26: Page 30 – Recovery of Bulldozer Hire Charges

Audit had observed: “Hire charges of bulldozers amounting to Rs.909,463 were recoverable from Government Departments on June 30 1990. There was no movement under this head during the year under review. Rs.559,672 were also outstanding on June 30,1990 on account of misappropriation/shortages caused by the employees. Early action to recover the outstanding balances is stressed upon the Management.”

5-7-1999: The Department apprised the PAC that the matter was sub-judice.

The PAC directed the Department to pursue the case vigorously in court and kept the para pending.

13-6-02: **The Committee settled the para with the direction** that subject to the decision of the court, the recovery shall be effected and disciplinary action taken. The action taken shall

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

16. Para 27: Page 30 – Maintenance of Accounts on Commercial Pattern

Audit had observed: “As already pointed out by Audit the books of accounts have not been maintained on commercial pattern. The accounts have been prepared from various returns and statements. Necessity of maintaining books of accounts on commercial pattern is once again stressed upon the Management.”

5-7-1999: The Department explained that all the accounts had been being maintained on commercial pattern.

The PAC directed the Department that accounts allegedly being prepared on commercial pattern may be got verified by Finance Department to ascertain whether these were factually being maintained on commercial pattern or not. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 5 July 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

17. Para 28: Page 31 – Working Losses

Audit had observed: “Working results of Agricultural Engineering Division, Gujranwala for the year 1989-90 as compared with those of the previous year

The Division is running in continuous heavy losses. The loss, however, fell from Rs.10.036 million in the previous year to Rs.8.374 million during the year under review mainly due to decrease in expenditure on office contingencies, depreciation and consumption of stores. The addition of 8 bulldozers in the fleet during the year did not contribute towards increasing the income of the Division, rather the working hours of bulldozers fell to 32,361 from 35,718 in the previous year which reduced the capacity utilization of bulldozers to 31.27% from 39.04% in the previous year. The continuous adverse results are always attributed by the department to non-availability of those facilities which are usually available to other commercial organizations and fixing of bulldozer’s hire charges by the Punjab Government about 5 times less than the charges being recovered from the customers by other commercial organizations like N.L.C. and Machinery Pool Organization. The achievement of ADP schemes without additional budget, and non-availability of full purchase powers with the heads of the divisions were also stated to be the reason for continuous adverse results. These arguments do not justify

the continuous heavy losses because the rates of bulldozers, which are stated to be the main cause of losses, are subsidized and fixed by the Government on the basis of the data furnished by the Department. The purchase powers could have also been obtained from the Government by providing full justification. The losses, thereof, need to be investigated with a view to taking suitable steps to make the Division at least self-sufficient.”

5-7-1999: The Department explained that actual target of working hours was fixed 34000 for the year 1989-90 and 53740 hours for 1988-89 instead of 103500 hours for 1989-90 and 91500 for 1988-89 as calculated by the Audit. The achievement of hours for 1988-89 was 60% & 95% for 1989-90 which showed better utilization of machines.

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

18. Para 29: Page 32 – Reconciliation of Withdrawals/Remittances With Treasury

Audit had observed: “Withdrawal from treasury/book adjustments of Rs.15.978 million and remittances into treasury of Rs.5.974 million were stated to have been reconciled with the treasury but the reconciled statements were not shown for verification. The need for making reconciliation with the concerned treasuries and its verification with Audit is stressed upon the Department.”

5-7-1999: The Department explained that statements of withdrawal from Treasury and remittance into treasury had been reconciled with the Treasury.

The PAC directed the Department to produce the relevant record to Audit for verification and the para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 5 July 1999, **the Committee settled the para subject to the following direction–**

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

19. Para 30: Page 32 – Acknowledgment of Transfer of Stores

Audit had observed: “Stores of Rs.3.221 million and Rs.0.775 million were received from and issued to other divisions but their proper receipts were not shown to Audit. The receipts need to be got verified.”

5-7-1999: The Department explained that store received and issued had properly been accounted for in the store books.

The PAC directed the Department to produce the relevant record to Audit for verification and the para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 5 July 1999, **the Committee settled**

the para subject to the following direction–

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

20. Para 31: Page 32 – Maintenance of Accounts Back on Commercial Pattern

Audit had observed: “The books of accounts have not been maintained on commercial pattern even this year. The accounts have been prepared from various statements and returns and as such their authenticity is doubtful. Necessity of maintaining books of accounts on commercial pattern is once again stressed upon the department.”

5-7-1999: The Department explained that all the accounts were being maintained on commercial pattern.

The PAC directed the Department that accounts allegedly being prepared on commercial pattern may be got verified by Finance Department to ascertain whether these were factually being maintained on commercial pattern or not. The Para was kept pending.

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall implement the directive of the PAC dated 5 July 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

21. Para 32: Page 32 – Pensionary Charges

Audit had observed: “The provision for leave salary and pensionary charges has been made in the accounts on *ad hoc* basis instead of making them in accordance with the prescribed formula. Actual charges on this account in respect of all previous years needs to be worked out and necessary adjustments made in the subsequent accounts.”

5-7-1999: The Department explained that requirement of making the pensionary charges and leave salary in accordance with the prescribed formula had since been complied with.

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

22. Para 33: Page 33 – Operational and Finance Results

Audit had observed: “The working results of the Division for the years 1990-91 and 1989-

90 as compared with those of the previous year 1988-89

The Division operated bulldozers for 61,962 hours in 1987-88. Since then the progress is on the decline as the Division could operate bulldozers for 46,448 hours during 1990-91 as against 55,358 hours during 1989-90 and 51,607 hours during 1988-89. Whereas the expenditure increased from Rs.20.676 million in 1989-90 to Rs.24.663 million in 1990-91. Consequently the Division sustained heavy losses in each year. During the year 1990-91 the Division earned income of Rs.17.381 million (including subsidy income of Rs.9.165 million) which even could not cover the expenditure on (i) pay & allowances and (ii) stores & spares amounting to Rs.10.004 million and Rs.7.431 million respectively. Therefore heavy expenditure on pay and allowances needs to be reduced by transferring excess staff to other Divisions. Side by side operational efficiency also needs to be improved so as to avoid losses in coming years.”

5-7-1999: The Department explained that achievement percentage remained 83.10% during 1988-89 but the same decreased to 57.68% during 1990-91. The decrease was due to the fact that Komatsu D40 machines outlived their life and remained out of order for want of heavy repairs. The requisite repair could not be carried out because neither spare parts were available nor sufficient funds were provided. Similar was the case with caterpillar D4H machines. Meanwhile the expenditure pertaining to salaries were paid during June, 1991, due to Eid Festival.

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

23. Para 34: Page 34 – Calculation of Subsidy on Commercial Rates

Audit had observed: “(i) Upto the year 1989-90, the Division calculated and accounted for subsidy on bulldozers on the basis of full hiring rates for agriculture being the difference of full rates and subsidized rates. However, during the year 1990-91 the division changed its accounting policy and calculated and accounted for subsidy on the basis of commercial hiring rates i.e. hiring rates for non-agriculture purpose. Subsidy income from bulldozers on the basis of full rates and commercial rates worked out to Rs.2.225 million and Rs.8.876 million respectively. Hence subsidy to the extent of Rs.6.651 million was excess claimed and accounted for in the accounts for the year 1990-91. Had the accounting policy been consistent and not been changed, the net loss of the Division would have been to the extent of Rs.13.933 million instead of Rs.7.282 million.

(ii) Due to change in accounting policy as regards subsidy income from bulldozers, the Division availed the benefit of subsidy income more by Rs.6.651 million during the year 1990-91. But this could not help the Division in avoiding yearly losses. This situation denotes that operations of the Division are still uneconomical which warrants suitable administrative steps as regards retention of excess staff in the face of actual business requirements and number of bulldozers.”

5-7-1999: The Department explained that calculation and accounting of subsidy on bulldozers on commercial rates was not justified due to the fact that its function was not commercial. Therefore, it was not correct that the Department had excess claimed and

accounted for the subsidy in the accounts for the year 1990-91.

The PAC was not satisfied with the explanation of the Department and directed that accounts may be prepared on commercial pattern and got verified by the Finance Department to ascertain whether these were factually being maintained on commercial pattern or not. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 5 July 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

24. Para 35: Page 34 – Maintenance of Accounts on Commercial Pattern

Audit had observed: “The Division has not so far maintained general ledger, journal vouchers and subsidiary ledgers. The accounts under review have been prepared on the basis of figures appearing in various returns and statements. Maintenance of these books of accounts and preparation of annual accounts therefrom, is again stressed upon the Management.”

5-7-1999: The Department explained that all the accounts were being maintained on commercial pattern.

The PAC directed the Department that accounts allegedly being prepared on commercial pattern may be got verified by Finance Department to ascertain whether these were factually being maintained on commercial pattern or not. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 5 July 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

25. Para 36: Page 35 – Working Results

Audit had observed: “The working results of Agricultural Engineering, Multan Division for the years 1987-88 to 1989-90 as compared with the previous year 1986-87 The table reveals that the Division is continuously sustaining losses which increased from Rs.2.479 million in 1986-87 to Rs.6.353 million in 1989-90. The income of the Division which increased from Rs.23.734 million in 1986-87 to Rs.30.469 million in 1987-88 again decreased to Rs.29.682 million in 1988-89 and Rs.26.543 million in 1989-90. The expenditure also increased from Rs.26.213 million in 1986-87 to Rs.30.561 million, Rs.30.501 million and Rs.30.501 million and Rs.32.896 million in 1987-88, 1988-89 and 1989-90 respectively. In

inspite of increase in the fleet of machines which rose from 62 machines in 1986-87 to 69,71 and 88 machines in 1987-88, 1988-89 and 1989-90 the number of hours worked by the bulldozers continuously decreased in 1988-89 and 1989-90 as compared with the year 1987-88. The less number of hours operated by the machines inspite of increase in their fleet clearly indicates that the machines sent for repairs to the workshop could not be brought into operation within the minimum possible time after repairs. The increase in expenditure also indicates that huge expenditure on repairs of the machines was incurred without commensurate benefit. Steps need be taken to (i) Increase the efficiency of the workshops, (ii) increase working number of hours by the machines, and (iii) control the expenditure under all heads of accounts especially under the head consumption of spares, etc.”

5-7-1999: The Department explained that since the accounts were maintained on commercial pattern and therefore subsidy figures had been calculated on the basis of commercial rates. The accounts for the year 1989-90 had been revised which showed that the Department had remained continuously in profit. Every effort had been made to minimize the expenditure and to increase the efficiency of the Division.

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

26. Para 37: Page 36 – Acknowledgement of Transfer of Stores

Audit had observed: “Stores worth Rs.14.671 million and Rs.0.686 million were received and transferred from and to other divisions but no acknowledgement or confirmation was given/obtained during the years 1987-88, 1988-89 and 1989-90. Reconciliation may be done now.”

5-7-1999: The Department explained that assets valuing Rs.14,670,989 were received. The confirmation of these assets was available. Similarly the stores worth Rs.686,209 had been received and confirmation for the same was available.

The PAC directed the Department to produce the relevant record to Audit for verification and the para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 5 July 1999, **the Committee settled the para subject to the following direction–**

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

27. Para 38: Page 36 – Assets Register

Audit had observed: “As already pointed out, consolidated Assets Register at Division level showing the historical cost of each asset, date of acquisition of the asset, depreciation charged during the year, accumulated depreciation and written-down value has not been

maintained. Necessity for maintenance of consolidated assets register at Divisional level is again stressed upon the Management.”

5-7-1999: The Department explained that Assets Register had already been maintained at Divisional level and the same had been completed upto 1993-94.

The PAC directed the Department to produce the relevant Record to Audit for verification and the para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 5 July 1999, **the Committee settled the para subject to the following direction–**

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

28. Para 39: Page 36 – Reconciliation of Expenditure

Audit had observed: “The reconciliation of figures of expenditure with District Accounts Offices for the years 1987-88 to 1989-90 has not been shown on demand. The same may be conducted, if not already done.”

5-7-1999: The statements of income/expenditure duly verified since 1987-88 to 1988-89 were available and would be shown to Commercial Audit at the time of obtaining the comments.

The PAC directed the Department to produce the relevant Record to Audit for verification and the para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 5 July 1999, **the Committee settled the para subject to the following direction–**

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

29. Para 40: Page 36 – Maintenance of Accounts on Commercial Pattern

Audit had observed: “As already pointed out, the books of accounts have not yet been maintained on commercial pattern. The accounts have been prepared from various statements and returns, as such their authenticity is doubtful. Necessity of maintaining the books of accounts on commercial pattern is stressed upon the Management.”

5-7-1999: The Department explained that all the accounts were being maintained on commercial pattern.

The PAC directed the Department that accounts allegedly being prepared on

commercial pattern may be got verified by Finance Department to ascertain whether these were factually being maintained on commercial pattern or not. The para was kept pending.

13-6-02: The Committee **noted** the para with the direction that the Department should attend to the observations of the Audit in consultation with the Finance Department and take effective remedial steps.

30. Para 41: Page 37 – Operating Results

Audit had observed: “The operating results of the Division for the year 1989-90 under review as compared with those with those of the last year

The accounts for the year under review depict an improved position of the operating results of the formation as compared with the preceding year which should be maintained. The percentage (6%) decrease in expenditure during the year was apparently the result of reduction in the consumption of spare part from Rs.5.482 million in 1988-89 to Rs.2.096 million in 1989-90. The reduction was on account of adding 10 new Komatsu Dozers in the fleet.”

5-7-1999: The Department explained that the Division had earned profit and this position had also been confirmed and appreciated by Audit.

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

31. Para 42: Page 37 – Disposal of Fiat Bulldozers

Audit had observed: “31 Fiat Dozers (AD7C Model) were operated for only 623 hours during the year as against the target of (37,200 hours @ 1200 hours each). The shortfall in operating hours was stated to be due to certain inherent defects, non-availability of spare parts and uneconomical repairs. These machines were lying inoperative without completing their normal operating life of 11,000 hours each. As pointed out last year, the desirability of bringing the machines either in working condition or disposing them off should be considered by the Management.”

5-7-1999: The Department explained that 31 No. Fiat AD 7C bulldozers had been disposed of for Rs.1,812,100.

The Audit apprised the PAC that 31 Fiat bulldozers could not complete their normal life due to some inherent defect which caused a great loss to the Government.

The PAC directed the department to conduct an enquiry and fix the responsibility as to why defective machines had been purchased. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

32. Para 43: Page 37 – Deletion of Assets

Audit had observed: “Boring machinery and tools worth Rs.760,010 were deleted from the assets. The basis and approval for the deletion of these assets may be made known.”

5-7-1999: The Department explained that machinery & tools worth Rs.5,42,330 had been issued to the Sub Divisions. Machinery worth Rs.195,000 had been issued to the Agriculture Engineer Division Sargodha and boring machinery worth Rs.27,680 had been disposed off through public auction.

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

33. Para 44: Page 38 – Working Results

Audit had observed: “The working results of the Division for the year 1989-90 as compared with those of the previous year 1988-89 The table indicates that despite the addition of 16 bulldozers in the fleet, the number of machines remained in operation exceeded by 3 Nos. as compared to the last year. The number of machines remained under repair/idle also increased from 22 in 1988-89 to 35 bulldozers in 1989-90. In order to conceal the inefficiency of the workshop the targeted hours were also fixed less by 21.48% (66,900 hours in 1989-90 as compared to 85,200 hours in 1988-89). Consequently the actual number of hours worked by machines decreased from 79,651 hours in 1988-89 to 70,571 hours in 1989-90 registering decrease of 11.40% over the previous year.”

5-7-1999: The Department explained that Division worked for 70,571 hours against target of 66900 hours. The decrease in total targeted hours as compared to 79651 hours during 1989-90 was due to the fact that almost all the machines except 15 dozers had covered their useful life. Also the expenditure had increased by passage of time but the hire rates of machines remained un-changed. These facts resulted in decrease of income.

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

34. Para 45: Page 39 – Working Losses

Audit had observed: “The Division still sustained loss of Rs.5.374 million in 1989-90 as compared to loss of Rs.5.775 million in 1988-89. The Division is continuously sustaining losses for the last several years which indicates that the Department has not made concerted efforts to make the Division a self sustaining concern.”

5-7-1999: The Department explained that Division worked for 70571 hours against target of 66900 hours. The decrease in total targeted hours as compared to 79651 hours during 1989-90 was due to the fact that almost all the machines except 15 dozers had covered their useful life. Also the expenditure had increased by passage of time but the hire rates of machines remained un-changed. These facts resulted in decrease of income.

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

35. Para 46: Page 39 – Recovery of Old Outstanding Dues

Audit had observed: “A sum of Rs.268,390 was outstanding against different parties as on 30 June 1990 which could not be recovered for the last more than ten years. The pace of recovery is very slow rather nil as during the year 1989-90 a negligible amount of Rs.1,974 was recovered. Necessity for early recovery of the above balances is stressed upon the Management.”

5-7-1999: The Department explained that a case had been referred to the Finance Department for the write off sanction of non-recoverable amount of Rs.211,834.

The PAC directed the Department to pursue the balance recovery vigorously. Progress towards the recovery may be reported to the PAC in the next meeting. **The para was kept pending.**

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 5 July 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

36. Para 47: Page 39 – Acknowledgement of Transfer of Stores

Audit had observed: “Stores of Rs.16,856 were issued to other divisions during the year under review but no acknowledgements were obtained from the recipients. Needful may be done now.”

5-7-1999: The Department explained that store was issued to other Divisions and acknowledgements for the same had been obtained.

The PAC directed the Department to produce the relevant record to Audit for verification and the para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 5 July 1999, **the Committee settled the para subject to the following direction–**

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

37. Para 48: Page 39 – Accumulation of Stores

Audit had observed: “The balances of stores and spares are gradually increasing which may become obsolete due to declaring certain machines as uneconomical. No maximum/minimum level of inventory has been fixed resulting in accumulation of stores. Necessity for maintaining level of inventory is stressed upon the Management.”

5-7-1999: The Department explained that in compliance of the advice of Audit the maximum/minimum level of inventory had been fixed.

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

38. Para 49: Page 39 – Assets Register

Audit had observed: “As already pointed out the Consolidated Assets Register was not maintained at divisional level. Needful may be done now.”

5-7-1999: The Department explained that consolidated Assets Registers had been maintained at Divisional level.

The Audit apprised the PAC that consolidated Assets Register had not been maintained on proper form.

The PAC directed the Department to prepare the consolidated Assets Register on proper form as required by the Audit and reconcile the same with Books of Account i.e. General Ledger. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 5 July 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

39. Para 50: Page 39 – Maintenance of Accounts of Commercial Pattern

Audit had observed: “As was repeatedly brought to the notice of PAC, the books of accounts on commercial pattern were not maintained. The accounts of the Division were prepared from various statements. The authenticity of these accounts is open to doubt. The maintenance of books on commercial pattern is again stressed upon the Management.”

5-7-1999: The Department explained that all the accounts had been maintained on commercial pattern.

The PAC directed the Department that accounts allegedly being prepared on commercial pattern may be got verified by Finance Department to ascertain whether these had been actually maintained on commercial pattern or not. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para**

subject to the following direction–

The Department shall implement the directive of the PAC dated 5 July 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

40. Para 51: Page 39 – Reconciliation of Expenditure Figures

Audit had observed: “The reconciliation statements of expenditure showing the departmental figures and those booked by District Accounts Offices have not been produced to Audit for verification. Needful may be done now.”

5-7-1999: The Department explained that the expenditure statement showing the departmental figures had been reconciled with the figures booked by the District Accounts Office.

The PAC directed the Department to produce the relevant record to Audit for verification and the para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 5 July 1999, the Committee settled the para subject to the following direction–

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

41. Para 52: Page 41 – Working Results

Audit had observed: “The working results of the Corporation for the years 1989-90 and 1990-91 as compared with the previous year The gross profit increased from 9.22% to sales in 1988-89 to 11.60% to sales in 1989-90. However in 1990-91 the gross profit decreased to 9.96% to sales. The increase in gross profit in 1989-90 was mainly due to increase in sales volume by 18% in 1989-90 as compared to the previous year as cost of sales increased by 15% only. The decrease in gross profit in 1990-91 was mainly due to increase in cost of sales. The Corporation started earning profits from 1989-90 which was Rs.15.144 million in 1989-90 as against loss of Rs.0.996 million in 1988-89. However the same again decreased to Rs.9.755 million in 1990-91, which was due to increase in operating expenses by Rs.10.778 million. Steps are therefore needed to (i) boost up the sales (ii) Control the increasing trend of cost of sales by reducing the in put costs (iii) check the operating expenses especially administrative, general and financial expenses so that the profitability of the Corporation may improve considerably.”

6-7-1999: The Department explained that all out efforts had been made to maintain the

profitability trend of Corporation. The sale had been fluctuating with demand of the growers/farmers and cost sale had increased due to:-

- i) Increase in the cost of packing material;
- ii) increase in ginning charges;
- iii) increase in payment of freight, octroi & handling charges;
- iv) increase in depreciation;
- v) increase in cost of fertilizer; and
- vi) increase in administrative and general expenses.

Despite the above factor of increase in rates the Corporation had been trying its best to maintain the profitability.

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

42. Para 53: Page 41 – Revaluation of assets

Audit had observed: “The cost of sales in 1990-91 included a loss of Rs.1.548 million on revaluation of trestles and tarpaulines. This loss decreased by 43.64% in the year under review in comparison with the previous year (Rs.2.747 million in 1989-90). The decrease/increase in loss on revaluation of trestles and tarpaulines not justified in view of the fact that the items should have been depreciated according to a fixed rate.

6-7-1999: The Department explained that tarpaulin and wooden trestles had not been treated as fixed assets like plant and building. The tarpaulin were practically of consumable nature and were revalued annually. The value of tarpaulin had been reduced by 25% P.A. whereas the wooden trestles had been completely written off and auctioned as scrap wood. In future the trestles would be depreciated according to a fixed rate as suggested by Audit.

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

43. Para 54: Page 42 – Recovery of Debts

Audit had observed: “Trade debtors increased from Rs.17.400 million in 1988-89 to Rs.19.922 million in 1989-90 which again decreased to Rs.11,501 million on June 30, 1991. The Management failed to provide details of these debtors and their ages. The receivable balances were not got confirmed from the debtors. Necessity for preparation of year-wise details and their ages and confirmation of receivable balances from the debtors is stressed upon the Management.”

6-7-1999: The Department explained that the debtors had been reduced from 11.50 million to 11.28 million. Strenuous efforts had been made to clear the outstanding trade debits.

The PAC kept the para pending for balance recovery expeditiously.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 6 July 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly

Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

44. Para 55: Page 42 – Abnormal increase in stores

Audit had observed: “The balances of the stores at the close of the years 1988-89, 1989-90 and 1990-91 were as under:-

	(Rs.in million)
30 June, 1989	28.537
30 June, 1990	25.659
30 June, 1991	36.500

The abnormal increase in stores on June 30, 1991 needs to be explained especially when there was no substantial increase in the activities of the Corporation for which these stores were procured.”

6-7-1999: The packing material was purchased and stored which was used in the subsequent year. This purchase and storage of packing material in the last quarter of financial year showed the increase in stores which was un-avoidable.

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

45. Para 56: Page 42 – Increase in Short Term Borrowing

Audit had observed: “Short term borrowing on 30 June, 1990 and 30 June, 1991 stood at Rs.50 million and Rs.70 million respectively as against Rs.45 million on 30 June, 1989 showing increase of 11.11% and 55.56%. As the Corporation earned profits during the years 1989-90 and 1990-91 the need for increase in short-term borrowings is not justified. This requires clarification.”

6-7-1999: The Department explained that increase in short-term borrowing had been nominal as compared to the procurement rate of seed. The short term borrowing represented cash credit limit provided by the Federal Government on mark up rate of 10.8%.

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

Board of Revenue

Overview

Total Paras	Civil	Annexure Paras
11	10	1

Abstract

Status	Decision	Para Nos.	Total
Paras Finally Settled 3	Paras finally settled as the requisite action had been taken.	Civil: 3.5, 3.8, 3.9.	3
Paras Conditionally Settled 8	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	Civil: 3.1, 3.2, 3.3(a), 3.3(b), 3.4, 3.6, 3.7. Annexure Paras: 5/83-84	7 1

Discussed on 27 March 1995 and 12 June 2002.

Civil Audit

1. Para 3.1: Page 25 – Recoveries Outstanding Rs. 531,200

Audit had observed: “Fines amounting to Rs.531,200 imposed on various convicts during

1987 to 1990 by the magistrates of Rawalpindi Distt. Were being shown as recoverable in the fine registers maintained in the respective courts, sincere efforts were not made to recover the outstanding balance.”

27.3.95: It was explained by the Department that out of Rs.531,200 the convicts have already undergone imprisonment in lieu of their fines of Rs.394,000 as verified by the Superintendent Jail, Rawalpindi. For the balance of Rs.137,200 the details of convicts and other particulars are being supplied to the Superintendent Jail for verification through courts concerned. **The para was settled subject to verification by Audit.**

2. Para 3.2: Page 25 – Non-Production of Auditable Record to Verify Expenditure of Rs.433,439

Audit had observed: “An expenditure of Rs.433,439 was incurred during 1989-90 by the Deputy Commissioner Rawalpindi on telephone charges (Rs.268,350) and for the purchase of P.O.L. (Rs.165,089). The relevant telephone registers and log books of vehicles were not produced for verification at the time of local audit inspite of requests by Audit.”

27.3.95: It was explained by the Department that an amount of Rs. 433,439 pertained to excess expenditure of residential telephones and P.O.L. charges, incurred by the Deputy Commissioner, Rawalpindi.

The Public Accounts Committee viewed the non production of record to Audit seriously and directed that Deputy Commissioner and Assistant Commissioner concerned should appear before the Public Accounts Committee alongwith the record to explain the excess expenditure as well as non production of record to Audit in the next meeting of Public Accounts Committee. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

3. Para 3.3(a): Page 25 – Lease Money of Katchery Compounds not Recovered Rs.245,215

Audit had observed: “Katchery compound of Deputy Commissioner Office Rawalpindi was being utilized by various petition writers, stamp vendors and typists etc. The rent in such cases was required to be fixed by the Distt. Rent Committee and lease money was recoverable accordingly. Neither any rent was got fixed nor realized whereas a sum of Rs.182,500 could be received on this account during 1989-90. Omission was brought to the notice of Board of Revenue during March, 1991 and a reminder was issued during May 1991 but no reply was received. Recovery may please be made and appropriate action taken against person held responsible.”

27-3-95: The Department explained that the recovery of rent of premises was up-to-date. **The item was settled subject to verification by Audit.**

4. Para 3.3(b): Page 25 – Lease Money of Katchery Compounds not Recovered Rs.245,215

Audit had observed: “Canteen No.1, Judicial Forms sale point and place for Photostat machine in Katchery compound Jhelum for 1989-90 were leased out at the rate of Rs.215,000 against which a sum of Rs.62,715 was still recoverable from the concerned contractors.”

27-3-95: The Department explained that balance amount of Rs.28,314 was recoverable from the defaulting contractor who was residing at Mandi Bahauddin. The Committee directed that efforts be made to recover the amount as arrears of land revenue and a criminal case be also lodged against him. The item was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

5. Para 3.4: Page 26 – Recoveries Outstanding Rs.151,300

Audit had observed: “Fine of Rs.151,300 imposed by various courts of Deputy Commissioner, Gujrat on 203 offenders during 1988-90 had not been deposited into Government treasury upto December, 1990.”

27-3-95: The para was settled subject to verification of record by Audit.

6. Para 3.5: Page 26 – Recovery Outstanding– Rs.65,738

Audit had observed: “Rs.65,738 on account of lease rent of Katchery compound plots of Deputy Commissioner, Gujrat for 1988-90 were not recovered from various contractors.”

27.3.95: (i) Plot No. 5 Recovery of Rs.7,000 has been verified by Audit.

(ii) Plot No. 1 & 3 The Department was directed to effect recovery.

In view of the explanation submitted by the Department that no recovery was warranted, **the item was settled.**

(iii) Forms Shop & Canteen The Department explained that the recovery pointed out by Audit was not justified, **the item was settled.**

7. Para 3.6: Page 26 – Irregular Payment of Electricity Charges Amounting to Rs.38,050

Audit had observed: “A sum of Rs.38,050 on account of electricity bills in respect of private residence of Deputy Commissioner, Jhelum was drawn from the treasury with other Government bills Electricity bills relating to the private residence of Deputy Commissioner were the personal responsibility of the Officer concerned and were not payable out of Government account.”

27.3.95: The Department explained that an amount of Rs.35,850 was the electricity charges of annex of the Deputy Commissioner’s residence and Rs.2,200 were the electricity charges of tubewell installed in Deputy Commissioner’s residence and therefore, these expenditures could not be considered as non-official. The Public Accounts Committee was not satisfied and decided that electricity charges of Tubewell amounting to Rs.2,200 may be excluded from the amount of the paras and remaining amount of Rs.35,850 be recovered from the Deputy Commissioner concerned. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 27 March 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para 3.7: Page 27 –Excessive Expenditure on Residential Telephone Rs.196,129

Audit had observed: “The expenditure on residential telephone No.3954 provided to the Deputy Commissioner, Kasur exceeded the prescribed limit by Rs.196,129 during the period 3/87 to 5/90. The amount exceeding the prescribed limit be recovered from the officer.”

27.3.95: The Administrative Secretary felt that it was a fit case for regularization.

The para was kept pending for regularization/recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 27 March 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 3.8: Page 27 – Non-Accountal of Stores, POL and Repairs of Rs.34,512

Audit had observed: “In the office of A.C (Sadar), Gujranwala various articles purchased during 1984-86 valuing Rs.15,321 were not accounted for or entered in stock register.

Similarly purchase of POL worth Rs.3,234 and expenditure of Rs.15,950 on repair of

office vehicles was not accounted for.”

27.3.95: The Department explained that entries of stores P.O.L and spare parts were completed in the relevant register. **The para was settled.**

10. Para 3.9: Page 28 – Irregular & Doubtful Expenditure on Repair of Patwar Khana – Rs.13,000

Audit had observed: “An amount of Rs.13,000 was drawn by A.C. Wazirabad in February/90 under sanction of Deputy Commissioner Gujranwala for repair of Patwarkhana at Ahmad Nagar which was the property of non-Muslim Evacuee Property Trust.

The repair of the building was responsibility of the trust. The repair expenditure by Assistant Commissioner Wazirabad was irregular. Further the estimate of the repair was not got approved by P.W. D and no quotation invited and actual payee’s receipts of the repair material purchased was also not produced.”

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

Annexure Para

1. Para No.5/1983-84: Page 230 – Read With Sr. No.11 of Audit Report for the Year 1989-90; Outstanding Recoveries-Rs.140,057,320

12-6-02: The Committee **settled the para** with the direction that the Department shall produce the relevant record of recoveries for verification to the Audit. The action taken shall be completed and reported to Finance Department and the Assembly Secretariat by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Communications & Works Department

Overview

Total Paras	Works	Annexure Paras
187	156	31

Abstract

Status	Decision	Para Nos.	Total
Paras Finally Settled 45	Paras finally settled as the requisite action had been taken.	Buildings: I-1, I-2, I-3, I-4, I-5, I-7, I-8, I-9, I-10, I-11, I-12, I-14, I-15, I-17, I-19, I-20, I-22, I-25, I-26, I-27, I-28, I-30, I-31, I-32, II-1	25
		Annexure Paras: 18(3)VI(Cy)/53-54, Annexure 55-56 2(i), 17(a)21(7) item No.5 1960-61, 17(a)24(3)/1960-61, 17(a)(27)/1961-62, 17(a)/88/1961-62, 41(iii)/67-68, 8/71-72	8
		Highways: I-1, I-3, I-4, I-16, I-30, I-32, II-21, II-41, III-2, IV-7, IV-8, V-7.	12
Paras Conditionally Settled 117	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	Buildings: I-6, I-13, I-16, I-23, I-18, I-21, I-24, I-29, II-2, II-3, II-4, II-5, II-6, III-1	14
		Annexure Paras: 17(a)23(b)/1956-57, 24(x)/63-64.	2
		Highways: I-2, I-5, I-6, I-7, I-8, I-9, I-10, I-11, I-12, I-13, I-14, I-15, I-17, I-18, I-19, I-20, I-21, I-22, I-23, I-24, I-25, I-26, I-27, I-28, I-29, I-33, I-34, I-35, I-37, I-38, I-39, I-40, I-41, I-42, II-1, II-2, II-3, II-4, II-5, II-6, II-7, II-8, II-9, II-10, II-11, II-12, II-13, II-14, II-15, II-17, II-18, II-19, II-20, II-22, II-23, II-24, II-25, II-26, II-27, II-28, II-29, II-30, II-31, II-32, II-33, II-34, II-35, II-36, II-37, II-38, II-39, II-40, II-42, II-43, III-1, III-3, III-4, III-5, III-6, III-7, IV-1, IV-2, IV-3, IV-4, IV-6, V-1, V-2, V-3, V-4, V-5, V-6, V-8, V-9, VI-1, VI-2, VI-3, VI-4, VI-5, VI-6, VI-7, VI-8.	101

Paras Pended 25	Paras pended either because the Department had not taken satisfactory action or the Department did not submit working paper.	Buildings:	5
		Annexure Paras: Annexure 13/1958-59, 12-G-29/1959-60, 17(a)20/1961-62, G-39-7(IV)/1961-62, 10(2)/82-83	
		Highways: I-31, I-36, II-16, IV-5.	4
		Annexure Paras: 42(XVI)/65-66, 17(a)3(12)/58-59, 38(V)/67-68, 64(2)/82-83, 64(5)82-83, 42(2)83-84, 42(3)/83-84, 42(4)/83-84, 42(20)/83-84, 44(1)/83-84, 43(3)/83-84, 44(7)/83-84, 45(1)/83-84, 47(4)/83-84, 47(6)/83-84, 5(91)/83-84	16

Discussed on 26-27 February, 23-24 May 1995, 27 August 1996,

20-21 April 1999 and 13 June 2002.

Works Audit

Buildings Department

1. Para I-1: Page 28 – Overpayment of Rs.11,319

Audit had observed: “A payment for Reinforced Cement Concrete 1:2:4 in core wall was made @ Rs.21/05 instead of Rs.15/70 for per cft. As per Composite Schedule of Rates 1979, page 53, Item No.5 (a)(ii)(3) which resulted in an overpayment of Rs.11,319 to contractor.”

21-4-99: The Department explained that recovery of Rs.11,319 had since been effected and got verified by Audit.

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

2. Para I-2: Page 28 – Overpayment of Rs.15,036

Audit had observed: “A payment was made to a contractor for filling of the available earth under floor by adopting unit of 100 cft. instead of 1000 cft. As admissible according to Composite Schedule of Rates, 1979. This resulted in an overpayment of Rs.15,036 to the contractor in June 1988.”

26-2-95: The Department explained that amount overpaid had since been recovered from

the contractor. **The para was settled.**

3. Para I-3: Page 28 – Overpayment of Rs.30,670

Audit had observed: “The quantity of Reinforced Cement Concrete 1:2:4 relating to lintels on doors and windows was not deducted from the quantity of brick work measured upto roof slab. This resulted in an overpayment of Rs.30,670 to a contractor in July 1989.”

26-2-95: It was stated by the Administrative Department that recovery had been effected and disciplinary action against the officials responsible for overpayment had been ordered. The para was settled subject to the disciplinary action.

20-4-99: The Department explained that recovery of Rs.30,670 had been got verified by the Audit.

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

4. Para I-4: Page 28 – Overpayment of Rs.21,898

Audit had observed: “A payment was made for painting steel windows and mild steel grill. This resulted in an overpayment as the rate provided in the Composite Schedule of Rates, 1979 was inclusive of painting. This resulted in double payments of Rs.21,898 to a contractor in June 1989.”

26-2-95: The Department explained that amount overpaid had been recovered and disciplinary action against the official concerned had been ordered.

The Committee settled the para subject to disciplinary action.

20-4-99: The Department explained that recovery of Rs.21,898 had been got verified by Audit.

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

5. Para I-5 Page 29 – Overpayment of Rs.13,113

Audit had observed: “A payment for masonry in foundation and plinth of boundary wall was made at the rate meant for masonry in super-structure. The incorrect application of rate resulted in an overpayment of Rs.13,113 to a contractor in May 1989.”

26-2-95: The Department explained that matter had been referred to Standing Rates Committee as per advice of the Audit. The Public Accounts Committee directed that decision may be taken by the Standing Rates Committee within a month. The para was kept pending.

24-5-95: An overpayment of Rs.13,113 was made for masonry work in foundation and plinth of boundary wall.

The explanation of the Department was not accepted by the Public Accounts Committee. The Department was directed that case might be got decided by the Standing Rate Committee. Therefore, the para was kept pending till the decision of the Standing Rate

Committee.

27-8-96: The Department explained that payment made to the contractor was in accordance with the provisions of CSR 1979. This fact had also been verified by Audit.

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

6. Para I-6: Page 29 – Overpayment of Rs.27,020

Audit had observed: “Roofing was paid in excess of the dismantled area of the roof which resulted in an overpayment of Rs.27,020 to a contractor in October 1988.”

26-2-95: The para was settled subject to recovery of remaining amount of Rs.1,530 and verification by Audit.

7. Para I-7: Page 29 – Overpayment of Rs.16,538

Audit had observed: “Lead for earth was approved for one chain by the Superintending Engineer in the Draft Notice Inviting Tenders, but payment was made for lead of 2 miles. Earth obtained from excavation of foundation was not deducted from the quantity of the earth brought from outside. Due to excessive lead and non-deduction of available earth from the earth brought from outside, the contractor was over paid Rs.16,538 in December 1989.”

24-5-95: The explanation of the Department was accepted and **the para was settled.**

8. Para I-8: Page 30 – Overpayment of Rs.27,400

Audit had observed: “A payment for ½” thick cement plaster on Reinforced Cement Concrete slabs was made at different rates of Rs.82/75 and Rs.115/40% sft, against the specification of M/s Izhar Ltd., which resulted in an excess payment of Rs.27,400 to a contractor.”

21-4-99: The Department apprised the PAC that the amount of Rsm27,400 involved in the para had been recovered and got verified by Audit.

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

9. Para I-9: Page 30 – Overpayment of Rs.26,786

Audit had observed: “A payment for brick work on ground floor was made to a contractor without making deduction for the quantity of lintel and openings etc. which resulted in an overpayment of Rs.26,786.”

21-4-99: The Department explained that requisite recovery of Rs.26,786 had been made and got verified by Audit.

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

10. Para I-10: Page 30 – Overpayment of Rs.10,545

Audit had observed: “A payment for brick work made without making deduction for opening of verandah, doors and window, which resulted in an overpayment of Rs.10,545 to a contractor.”

21-4-99: The Department explained that full recovery had been made and got verified by Audit.

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

11. Para I-11: Page 31 – Overpayment of Rs.16,290

Audit had observed: “Excessive measurements were recorded which resulted in an overpayment of Rs.16,290 to a contractor.”

21-4-99: The Department explained that recovery of Rs.16,290 pointed out by Audit had been adjusted in the 10th running bill of the contractor and got verified by Audit.

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

12. Para I-12: Page 31 – Overpayment of Rs.13,940

Audit had observed: “The payment for brick work at ground floor was made to a contractor without making deduction for openings. This resulted in an overpayment of Rs.13,940.”

21-4-99: The Department explained that full recovery had been made and got verified by Audit.

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

13. Para I-13: Page 31 – Overpayment of Rs.19,392

Audit had observed: “An excessive measurement was made which resulted in an overpayment of Rs.19,392 to a contractor.”

21-4-99: The Department explained that full recovery had been made. **The para was settled subject to verification** of recovery by Audit.

14. Para I-14: Page 31 – Overpayment of Rs.11,535

Audit had observed: “Deduction of 2/3 available surplus earth was not made which resulted in an overpayment of Rs.11,535 to a contractor.”

21-4-99: The Department explained that full recovery had been made and got verified by Audit.

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

15. Para I-15: Page 32 – Overpayment of Rs.13,883

Audit had observed: “A contractor was paid 110% premium instead of 61% provided in the Draft Notice Inviting Tenders and Bid Schedule, which resulted in an overpayment of Rs.13,883 to him.”

26-2-95: The para was settled subject to disciplinary action by the Department against the officer/official responsible for overpayment.

20-4-99: The Department explained that defaulter XEN, SDO and Sub Engineer were proceeded against and penalty of “Censure” had been imposed upon them alongwith stoppage of next increment for one year.

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

16. Para I-16: Page 32 – Overpayment of Rs.13,600

Audit had observed: “Excessive rate of premium (i.e. 61% instead of 42% was paid to a contractor which resulted in an overpayment of Rs.13,600 to him.”

21-4-99: The Department explained that full amount of Rs.13,600 had been recovered. The PAC **settled the para subject to verification of recovery** by Audit.

17. Para I-17: Page 32 – Overpayment of Rs.11,425

Audit had observed: “A quantity of 18930 cft. Earth was brought from outside and paid without deducting shrinkage @ 10% as per Note on page 25 of the Composite Schedule of Rates, 1949 which resulted in an overpayment of Rs.11,425 to a contractor.”

21-4-99: The Department apprised the PAC that full recovery had been made and got verified by Audit.

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

18. Para I-18: Page 32 – Overpayment of Rs.34,112

Audit had observed: “The quantity of surplus earth (received from excavation of foundation of building) deducted from the total quantity of earth filled under floors from outside source, was less than that available at site which resulted in an overpayment of Rs.34,112 to a contractor in July 1989.”

26-2-95: The para was settled subject to verification of record/recovery by Audit.

20-4-99: The Department explained that recovery had not yet been finalized.

The PAC directed that recovery of Rs.34,112 may be effected within one month. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 20 April 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

19. Para I-19: Page 33 – Overpayment of Rs.19,430

Audit had observed: “An item Providing/Fixing steel windows (fixed panels) without wire gauge 5mm and 3 mm thick glass panes was paid @ Rs.26/90 and Rs.23/85 per sft. Respectively against the admissible rates of Rs.19/45 and Rs.16/40 per sft. This resulted in an overpayment of Rs.19,430 to a contractor in March and April 1990.”

26-2-95: The recovery had been made and verified by Audit and disciplinary action had been initiated against the official concerned. The para was settled subject to disciplinary action.

20-4-99: The Department explained that recovery of Rs.19,430 had been made and got verified by Audit.

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

20. Para I-20: Page 33 – Overpayment of Rs.24,962

Audit had observed: “A payment for brick work at ground floor was made to a contractor without deducting area of windows and doors, which resulted in an overpayment of Rs.24,962.”

21-4-99: The Department explained that full recovery had been made and got verified by Audit.

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

21. Para I-21: Page 33 – Overpayment of Rs.69,427

Audit had observed: “An excess payment of Rs.69,427 on account of price variation of steel was made to contractors.”

26-2-95: The case be referred to the Standing Rates Committee for decision within one month. The para was kept pending.

24-5-95: The Department explained that matter had been referred to the Standing Rates Committee for clarification. The para was kept pending till the decision of the Standing Rates Committee.

27-8-96: The Department explained that the case had been referred to the Standing Rates

Committee for clarification and the decision of Standing Rates Committee was awaited.

The PAC kept the para pending till the decision of the Standing Rates Committee.

20-4-99: The Department explained that Standing Rates Committee had decided that excess paid amount may be recovered. Accordingly the recovery was underway.

The PAC directed that recovery may be completed within two months and the para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 20 April 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

22. Para I-22: Page 34 – Overpayment of Rs.21,002

Audit had observed: “The area covered by windows was not deducted from brick work. Moreover, the brick work already measured and paid was not deducted from the overall measurements which resulted in an over-payment of Rs.21,002 to a contractor.”

21-4-99: The Department explained that full recovery had been made and got verified by Audit.

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

23. Para I-23: Page 34 – Overpayment of Rs.17,696

Audit had observed: “A payment for an item of work Providing/Fixing false ceiling fancy ornamental decoration of plaster of Paris was made for 1100 sft. instead of actual quantity of 547 sft. Which resulted in an overpayment of Rs.17,696 to a contractor.”

21-4-99: The Department apprised the PAC that full amount of Rs.17,700 had been recovered.

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

24. Para I-24: Page 34 – Overpayment of Rs.16,513

Audit had observed: “The area covered by the steel windows was less deducted/not deducted from the quantity of brick work on the ground floor, which resulted in an overpayment of Rs.16,513 to a contractor.”

21-4-99: The Department explained that full recovery had been made.

The Audit apprised the PAC that a further recovery of Rs.13,062 had been pointed out which had not yet been made good.

The PAC kept the para pending for verification of record by Audit.

13-6-02: Reiterating the decision of the PAC dated 21 April 1999, the Committee settled the para subject to the following direction–

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

25. Para I-25: Page 35 – Overpayment of Rs.14,400

Audit had observed: “The brick work executed at ground floor was measured twice, which resulted in an overpayment of Rs.14,400 to a contractor.”

21-4-99: The Department explained that full recovery had been effected and got verified by Audit.

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

26. Para I-26: Page 35 – Overpayment of Rs.79,614

Audit had observed: “Fixing of steel grill without separate frame was paid @ Rs.13.95 per sft against the admissible rate of Rs.10.80 per sft. As per Finance Department letter No.R.O. (Tech)-FD-2-6/88 dated 6th October 1988. This resulted in a overpayment of Rs.79,614 from November 1988 to June 1989.

24-5-95: The recovery of Rs.15,035/93 had been verified by the Audit. The balance amount of Rs.17,706/02 had been duly paid. **The para was settled.**

27. Para I-27: Page 35 – Overpayment of Rs.12,202

Audit had observed: “Incorrect price variation was paid which resulted in an overpayment of Rs.12,202 to a contractor.”

21-4-99: The Department explained that the entire amount had been recovered and got verified by Audit.

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

28. Para I-28: Page 35 – Overpayment of Rs.23,438

Audit had observed: “A payment for “painting emulsion paint on old surface” was made @ Rs.56/65% sft. Instead of Rs.49/50% sft. Which resulted in an overpayment of Rs.23,438.”

21-4-99: The Department explained that full recovery had been effected and got verified

by Audit.

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

29. Para I-29: Page 36 – Overpayment of Rs.19,012

Audit had observed: “An excessive rate of Rs.13/95 per sft. Was paid for “steel grill fixed without separate frame” against the admissible rate of Rs.10/80 per sft. As per Finance Department letter No.R.O.(Tech)FD-2-6/88 dated 6 October 1988. This resulted in an excess payment of Rs.40,866 to a contractor.”

21-4-99: The Department explained that actual recovery was of Rs.17,845. The same had been recovered and got verified by Audit. There was no balance recovery pending.

The PAC **settled the para subject to verification** of record by Audit. The Audit may also verify whether or not any balance recovery was pending.

30. Para I-30: Page 36 – Overpayment of Rs.140,000

Audit had observed: “Extra payment of Rs.140,000 was made in October 1989 to a contractor on account of collapsed bores of a tubewell. This was in violation of Chapter-2 para-3 of the 1956 Specification Book.”

24-5-95: The Department explained that an amount of Rs.139,715 was recovered from the contractor from his security deposit. As the recovery had been effected from the contractor and verified by Audit, **the para was settled.**

31. Para I-31: Page 36 – Overpayment of Rs.72,931

Audit had observed: “According to Finance Department letter dated 6 October 1988, an amount of Rs.1/90 per sft. Was required to be reduced from the rate of Rs.13/95 meant for mild steel grill ½” x 1/8” (with frame). The Buildings Department executed this item without frame and the rate of Rs.1/90 was not recovered. The Department made payment at the full rate of Rs.13/95 per sft. Which resulted in an overpayment of Rs.72,931 to contractors.”

26-2-95: The explanation of the Department was accepted in view of the certificate that mild steel frame of 3/4” specification had been used. **The para was settled.**

32. Para I-32: Page 37 – Overpayment of Rs.51,635

Audit had observed: “Payment of Rs.51,635 on account of price variation on steel was made to a contractor in violation of sub-clause-5 of the agreement. This resulted in an overpayment of Rs.51,635 to a contractor.”

21-4-99: The Department explained that full recovery had been effected and got verified by Audit.

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

33. Para II-1: Page 39 – Non-Recovery of Rs.64,699

Audit had observed: “A contractor left the work incomplete in January 1985 but the amount of the secured advance along with interest i.e. Rs.64,699 upto August 1988 was not recovered from him as per Indenture Bond signed by the contractor under Rule 7.34 of the Departmental Financial Rules.”

26-2-95: The contention of the Department had been verified by Audit from the record. **The para was settled.**

34. Para II-2: Page 39 – Non-Recovery of Rs.197,941

Audit had observed: “A contractor left a work incomplete which was got executed by another contractor at his risk and cost. The recovery was not made from the defaulter contractor, which resulted in a loss of Rs.197,941 to the Government.”

21-4-99: The Department explained that the contractor, from whom the recovery was due, had been declared un-traceable by the DC Multan. Therefore, a case for the write off sanction was being moved to the Finance Department.

The PAC directed the Department to obtain the write off sanction within three months. If the write off sanction was not granted by the Finance Department then the Administration Department may consider to recover the amount from the officer who did not take timely action for recovery from the defaulting contractor.

The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 21 April 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

35. Para II-3: Page 39 – Non-Recovery of Rs.460,023

Audit had observed: “A contractor left the work incomplete in August 1984 and his balance work was got done from another contractor at his risk and cost. The recovery of Rs.460,023 on account of difference in cost was not made from him.”

24-5-95: It was explained by the Department that balance recovery of Rs.288,294 as arrears of land revenue was being pursued vigorously with District Collector Nowshera.

The para was kept pending till completion of the recovery.

26-2-95: It was stated that Rs.171,706 had been recovered and efforts are being made to recover the balance amount of Rs.288,294 as arrears of the land revenue through District Collector, Nowshera.

The para was kept pending. The amount of the para was reduced to Rs.288,294.

27-8-96: The Department explained that the balance recovery of Rs.288,294 was being pursued with Deputy Commissioner, Nowshera as arrears of land revenue. The D.C. was very serious about the recovery and he had directed the Tehsildar concerned to expedite the case.

The Committee directed the Department that a D.O. letter be written to the D.C. Nowshera requesting him to expedite the action of recovery and finalize the same at the earliest. The Department also should make personal efforts for the recovery of Government money very soon. The para was kept pending.

20-4-99: The Department explained that DC Nowshera had been requested through a DO letter to expedite the recovery. Even the Commissioner Peshawar Division had been requested to expedite the matter. As such repeated requests have not proved fruitful.

The PAC directed the Department to pursue the recovery through the arrears of land revenue. Secretary Communications & Works Department should bring the matter to the notice of Chief Secretary Punjab for appropriate action.

The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 20 April 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

36. Para II-4: Page 40 – Non-Recovery of Rs.38,970(Amount reduced to Rs.17,917)

Audit had observed: “A quantity of 11809 sft brick flooring was dismantled but the dismantled material valuing Rs.38,970 was not recovered from a contractor in February 1988.”

24-5-95: The Department explained that the actual recoverable amount of Rs.17,917 had since been recovered. The para was settled subject to verification of recovery by Audit.

26-2-95: The Department explained that actually the recoverable amount was Rs.17,917 and not Rs.38,970 as pointed out by Audit. The Committee directed that amount of Rs.17,917 may be recovered alongwith taking disciplinary action against the officer/official concerned. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

37. Para II-5: Page 40 – Non-recovery of Rs.142,480

Audit had observed: “A work costing Rs.11.71 lacs was allotted to a contractor in October 1987. The contractor executed the work to the extent of Rs.5.8 lacs and left the work incomplete. The left over work was got done at his risk and cost which worked out to Rs.142,480 against the available security deposit of Rs.72,918 only.”

21-4-99: The Department explained that a sum of Rsm77,935 had been recovered and got verified by Audit. The balance recovery of Rs.61,111 had been referred to the DC Faisalabad to recover the amount as arrears of land revenue.

The PAC directed the Department to pursue the recovery through arrears of land revenue and the para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 21 April 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

38. Para II-6: Page 40 – Non-recovery of Advance Payment of Rs.161,580

Audit had observed: “A balance of Rs.161,580 out of advance payment of Rs.1,360,934 was still recoverable from various officials/officers. Non recovery of advances was pointed out in May 1990.”

26-2-95: The para was settled subject to the adjustment of the balance amount and its verification by Audit.

20-4-99: The Department explained that recovery had been made. **The PAC settled the para subject to verification** of recovery by Audit.

39. Para III-1: Page 41 – Loss to Government Rs.228,759

Audit had observed: “The work of construction of buildings was undertaken in 9 feet depression to be filled free of cost by the sponsors of the site. The work was started prior to proper planning, preparation of detailed estimate, technical sanction and most important the filling and leveling of the depression. Resultantly an expenditure of Rs.228,759 was incurred during 1984-85 upto plinth level. The sponsors began to fill the earth inside and around the

buildings, due to which the structure was damaged and the Chief Engineer declared the building unsafe for further construction. Hence the expenditure incurred upto plinth level was wasted.”

21-4-99: The Department explained that site of construction work was a depression about 6 feet to 10 feet deep and to meet this deficiency, the local inhabitants and committed for filling the depression. When the construction was made upto DPC level the local inhabitants started the work of earth filling. They had been bringing earth in their trollies at their convenience and at odd hours. This haphazardly dumping of earth and plying of 5 trollies over the constructed portion damaged the masonry work executed upto DPC level Secretary C & W and Chief Engineer Building, South Zone decided that damaged portion should be dismantled and re-built with thickness of walls below plinth as 13-1/2” instead of 9” existing thickness. Accordingly the scheme was revised for Rs.44.86 lac which was Administratively Approved by the Health Department the original owner of the scheme. The Department also explained that the concerned SDOs had been proceeded against under E&D Rules but they had been found innocent and had been exonerated. There was no fault on the part of Building Department. The amount objected to by the Audit was duly converted under the revised Administrative Approval of Rs.44.86 lac.

The PAC was not satisfied with the explanation and directed the Department for fresh inquiry within three months. The Department was further directed to prepare clear cut charges against the defaulters and the matter should be properly probed into.

The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

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

Annexure Paras

1. Para 18(3)VI(Cy)/53-54 read with Sr. No.1 Page 194 – Excess Payment of Rs.15,373

24-5-95: The Public Accounts Committee directed the Department that case for write off sanction might be sent to Finance Department. The para was kept pending for write off sanction by Finance Department.

27-8-96: It was pointed out by the Department that the case had been referred to the Finance Department for write off sanction. The Department stated that the Committee was competent to settle the issue. The Finance Department also supported this fact that the para related to the accounts of 1953-54, therefore, the Committee may drop it.

The PAC accepted the request of the Department and **settled the para** with the observation that this decision should not be quoted as precedent.

2. Para Annexure 55-56/2(i) read with Sr. No.2 Page 194 – Excess Payment of Rs.11,725

24-5-95: The explanation of the Department was accepted and para was settled.

3. Para 17(a) 23(b)/1956-57 read with Sr. No.3 Page 194 – Non-Recovery Rs.16,597

21-4-99: The Department explained that an amount of Rs.18,410 had been adjusted against the final bill of the contractor and got verified by Audit. The balance amount of Rs.16,597 had been recovered from the pension of Mr. Mohammad Iqbal Qureshi the then Sub Engineer. The Said Sub-Engineer challenged the recovery in the High Court and got relief from the court. The amount recovered was released to him. Now a case for write off sanction of the loss of Rs.16,597 had been initiated.

The PAC settled the para subject to verification of write off sanction of balance amount by Audit.

4. Para Annexure 13/1958-59 read with Sr. No 4 Page 194 – Non-Recovery Rs.42,238

21-4-99: The Department explained that the amount of Rsm72,887 (115,124-42,237) had been recovered and got verified by Audit. The Contractor, form who the remaining recovery of Rs.42,237 was due, went to the court. The court dismissed the claim of the Department. Now a case for the write off sanction of Rs.42,237 had been moved. The contractor concerned had been black listed.

The PAC directed the Department to pursue the write off sanction and the para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. The Para was **kept pending**.

5. Para 12-G-29/1959-60 read with Sr. No.5 Page 194 – Shortage of Store Rs.25,205

24-5-95: The Public Accounts Committee directed the Department to pursue the case of recovery as arrears of land revenue. The para was kept pending for recovery.

27-8-96: The Department explained that the matter regarding recovery as arrears of land revenue was being pursued vigorously with the Deputy Commissioner, Lahore.

The Committee kept the para pending and directed the Department that D. C. Lahore be asked by issuing a D.O. letter to finalize the case at the earliest.

20-4-99: The Department explained that defaulter SDO, who had since been retired, had been served with a registered notice to deposit the said amount of Rsm25,205. The Collector Lahore District had also been requested to effect recovery from the retired officer as arrears of land revenue.

The PAC observed that in 1957 when the shortage was detected the amount of Rs.25,205 was a big amount which with the passage of time and with the negligence/indifference of departmental authorities towards the Government money lost its value. The

PAC took serious notice of such an attitude of the officers/officials and directed that the Department may consider to recover the amount of Rs.25,205 from the officer who issued NOC in favour of the defaulter SDO at the time of his retirement. Action should be finalized within one month.

The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. The Para was **kept pending**.

6. Para 17(a) 21 (7) Item No.5 1960-61 read with Sr. No.6 Page 194 – Irrecoverable Advance Rs.6,452

21-4-99: The Department explained that full amount had been recovered and got verified by Audit.

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

7. Para 17(a)24(3)/1960-61 read with Sr. No.7 Page 194 – Undue Financial Aid to Contractor Rs.5,289

24-5-95: The para had **already been settled** by Public Accounts Committee on 14-12-1992.

8. Para 17(a)27/1961-62 read with Sr. No.8 Page 194 – Un-Accepted Debits Rsm37,151

24-5-95: The para was reduced to Rs.37,151. The Public Accounts Committee directed the Department to move a case for write off sanction of the amount of Rs.37,151. The para was kept pending for the write off sanction by the competent authority.

27-8-96: The Department informed the Committee that a case for the write off sanction of Rs.37,151 had been sent to the Finance Department. The sanction was awaited from the Finance Department. The Department requested that the case being very old the PAC could itself settle the issue.

The PAC accepted the request of the Department and **settled the para** with the remarks that this decision may not be quoted as precedent.

9. Para No. 17(a)20/1961-62: Page 195 read with Sr. No.9 of Audit Report for the year 1990-91; Un-accepted debits-Rs.159,941

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. The Para was **kept pending**.

10. Para G-39-7(IV) /1961-62 read with Sr. No.10 Page 195 – Shortage of Bricks

Rs.59,852

21-4-99: The Department apprised the PAC that the matter was still subjudice.

The PAC directed the Department to pursue the case vigorously in the court and the para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. The Para was **kept pending**.

11. Para 17(a)88/1961-62 read with Sr. No.11 Page 194 – Excessive Accountal of Material Rs.4,007

21-4-99: The Department explained that store worth Rs.141,343 had been utilized on works. A quantity of store valuing Rs.79,794 had been disposed of through open auction. The balance amount of Rs.5,427 had been recovered from the Sub-Engineers concerned. The position had also been verified by Audit.

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

12. Para 24(x) /63-64 read with Sr. No.12 Page 195 – Excess Payment of Rs.33,299

20-4-99: The Department explained that an amount of Rs.26,000 had been recovered. Balance recovery was due from Ch. M. Siddique Head Clerk (Retired) who had filed an appeal with the Administrative Secretary for exoneration.

The PAC **settled the para subject to verification of recovery** of Rs.26,000 and realization of balance recovery under verification by Audit.

13. Para 41(iii)/1967-68 read with Sr. No.13 Page 195 – Irregular Local Purchase Rs.108,063

24-5-95: The para was kept pending for obtaining condonation of irregularity/write off of the amount involved from the Authority.

27-8-96: The Department explained that a case for the condonation of the irregularity had been sent to the Finance Department and its decision was awaited. It was also explained that no financial loss was involved. The Department requested that this case being very old the PAC could itself condone the irregularity.

The request of the Department was accepted and the **para was settled** with the remarks that this decision should not be quoted as precedent in future.

14. Para 8/1971-72 read with Sr. No. 14 Page 195 – Loss of Rs.25,305)

21-4-99: The Department explained that entire amount had been recovered and got verified by Audit.

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

15. Para No. 10(2)/82-83: Page 195 read with Sr. No.15 of Audit Report for the Year 1990-91; Misappropriation of Stores-Rs.12,081

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. The Para was **kept pending.**

Highways Department

1. Para I-1: Page 45 – Excess Payment to Contractor Rs.14,900

Audit had observed: “The average thickness in inches for base course was not converted into feet while multiplying with the length and breadth in feet to calculate the contents. This resulted in an overpayment of Rs.14,900 to a contractor in the final bill paid in December 1987.”

23-5-95: As the recovery had been effected and verified by Audit, **the para was settled.**

2. Para I-2: Page 45 – Excess Payment to Contractor Rs.41,500

Audit had observed: “The wheel ruts, pot holes etc. in the existing road were filled with base course material for making the road surface even to lay base course on it. Thereafter the base course 4” thick was laid and paid accordingly. Subsequently, overall measurements of the base course were recorded by digging pits at various places and material filled in the pot holes and wheel ruts. By adopting this process the quantity was increased and thickness of base course was measured more than the designed thickness of 4”. This resulted in an overpayment of Rs.41,500 in October 1989.”

27-2-95: **The para was settled** subject to verification of relevant record by Audit.

3. Para I-3: Page 45 – Excess Payment to Contractor Rs.12,300

Audit had observed: “The agreement of a contractor was rescinded under clause 3(a) and security deposit available upto 14th running bill was forfeited in April 1988. While paying 15th and final bill in April 1989 the security amounting to Rs.12,300 was not deducted which

resulted in an overpayment to the contractor.”

23-5-95: As the recovery had been completed and verified by Audit, **the para was settled.**

4. Para I-4: Page 46 – Excess Payment to Contractor Rs.14,721

Audit had observed: “A quantity of 27,600 cft. For the item of Course Rubble Masonry (uncoursed) in foundation and plinth for retaining walls was measured but payment was made at the higher rate of Rs.371/45 instead of Rs.333.35% cft. Admissible vide item 1(a) of the Composite Schedule of Rates, 1979. The application of incorrect rate resulted in an overpayment of Rs.14,721 to a contractor in the final bill paid in December 1989.”

23-5-95: The entire amount of Rs.14,721 was recovered and verified by Audit. **The para was settled.**

5. Para I-5: Page – Excess Payment to Contractor – Highways Division D.G. Khan – Rs.24,166

Audit had observed: “A contractor was paid for height of slope more than that approved in the detailed estimate, which resulted in an excess payment of Rs.24,166.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

6. Para I-6: Page – Excess Payment to Contractor – Highways Division Faisalabad – Rs.199,101

Audit had observed: “According to the rate analysis approved by the Standing Rates Committee vide item 27 page 133 of Composite Schedule of Rates, 1979 for the item of work “stone filling dry hand packed in apron” 135 cft. loose stone was required to be paid for 100 cft. completed item. Loose stone was measured as 234,436 cft. and the quantity of 202,099 cft. was paid as completed item. The measurement of the completed item of work according to the approved rate analysis should therefore, have been 173 656 cft. but incorrect calculation resulted in overpayment of Rs.199,101 to a contractor.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

7. Para I-7: Page 47 – Excess Payment to Contractor Rs.57,900

Audit had observed: “The work of widening and improvement of a road from mile 115 to 120 was allotted to a contractor in October 1988. Measurements from mile 115 to 117 were recorded in a length of 5280 feet but the measurements from mile 116 recorded in Measurement Book No.2296 showed that work done was measured in a length of 5620 feet instead of 5280 feet. This resulted in an overpayment of Rs.57,900 to a contractor in the final bill paid in December 1989.”

23-5-95: The explanation of the Department was accepted and **para was settled** subject to verification of record by Audit.

8. Para I-8: Page – Excess Payment to Contractor – Highways Division Faisalabad – Rs.45,400

Audit had observed: “The item of sub-base course was measured twice in a length of 1500 rft. which resulted in an overpayment of Rs.45,400 to a contractor in September 1989.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

9. Para I-9: Page 48 –Excess Payment to Contractor Rs.53,800

Audit had observed: “Filling of jumps and wheel ruts with base material was provided in the technically sanctioned estimate of the work of improvement of road from Kotmoman to Bhabra. The measurements showed that in some places jumps and wheel ruts were filled with sub base material without giving the exact locations and showing exact R.Ds (Reduced Distances) etc. this resulted in an overpayment of Rs.53,800 to a contractor in July 1990.”

27-2-95: The **para was settled** subject to verification of relevant record by Audit.

10. Para I-10: Page – Excess Payment to Contractor – Highways Division Jhang – Rs.18,773

Audit had observed: “A payment for earth used in making embankment for a work of construction of a new road was made for a quantity inclusive of Bajri used in surface treatment for which a separate payment had been made. This resulted in an overpayment of Rs.18,773 to a contractor in June 1989.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

11. Para I-11: Page 49 – Excess Payment to Contractor Rs.39,467 incorrect rate

Audit had observed: “The report of the Road Research and material Testing Institute regarding classification of the rocks involved in the widening of a road was not produced to verify the classification of rock. The entire Hard Rock was classified as grade-VI in the Administrative Approval. While recording measurements the rock was classified as grade-IV but the payment was made at the rate of grade-VI rock. This resulted in an overpayment of Rs.39,467 to a contractor in February 1990.”

27-2-95: The **para was settled** subject to verification of recovery by Audit.

12. Para I-12: Page 49 Excess Payment to Contractor Rs.50,508

Audit had observed: “The measurements for the construction of retaining walls were recorded without mentioning exact locations resulting in an excess quantity of 141 Rft. Over the approved quantity of 750 Rft. In the technically sanctioned estimate. This resulted in an overpayment of Rs.50,508 to a contractor in August, 1989.”

23-5-95: Audit pointed out that the measurements for the construction of retaining walls were recorded without mentioning exact location and proper procedure was not adopted by the Department. However, if the work was physically done then the relevant record should be produced to Audit for verification. Therefore, **the para was settled** subject to verification of record by Audit.

13. Para I-13: Page 49 – Excess Payment to Contractor Rs.51,667

Audit had observed: “The measurements for providing and laying sub-base of a road were recorded without mentioning the exact locations in the Measurement Book. The entry recorded at page 3 of Measurement Book No.4534 was manipulated to increase the quantity leading to an excess in the quantity provided in the estimate. This resulted in an overpayment of Rs.51,667 to a contractor.”

27-2-95: The Public Accounts Committee directed the Department to produce the requisite record to Audit for verification within one month. Subject to verification by Audit **the para was settled.**

14. Para I-14: Page 50 – Excess Payment to Contractor – Highways Division Jhang – Rs.233,106

Audit had observed: “Measurements for laying sub-base on embankment for the construction of a road were recorded for 26400 rft. whereas the embankment had been made in 21300 rft. Laying of Sub-base in length more than the length of the embankment was not justified. The irregularity resulted in an overpayment of Rs.233,106 to a contractor in February 1989.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

15. Para I-15: Page 50 – Excess Payment to Contractor – Bridge Construction Division Bahawalnagar – Rs.464,000

Audit had observed: “Sinking of wells for construction of a bridge involved dry sinking for the first ten feet, but payment for the entire depth was made at the rate meant for wet sinking. This resulted in an overpayment of Rs.464,000 to a contractor in September 1988.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

16. Para I-16: Page 51 – Excess Payment to Contractor Rs.30,931

Audit had observed: “According to the technically sanctioned estimate, aggregate material for road was to be carted from Kirana Hill Quarry with a lead of 44 miles. The work was allotted on item rate basis. The contractor carted the aggregate material from Nurrewala Quarry instead of Kirana Hill, the Quarry in the estimate. This resulted in an overpayment of Rs.30,931 on account of less lead involved in the carriage of the material.”

27-2-95: As the recovery had been effected and got verified from Audit, **the para was settled.**

17. Para I-17: Page 51 – Excess Payment to Contractor – Highways Division Rahim Yar Khan – Rs.14,800

Audit had observed: “Item of base course was originally measured for 3.5 inch and 4 inch but in the overall measurements the thickness was measured more than the designed thickness of 4 inch provided in the sanctioned estimate. This resulted in an excess payment of Rs.14,800 in August 1990.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

18. Para I-18: Page 51 – Excess Payment to Contractor – Highways Division Layyah – Rs.66,454

Audit had observed: “Measurements for base course were recorded without mentioning the exact locations in the measurement book. Hence, the base course was measured in excess of the quantity of the sub-base laid under the base course. Fictitious measurements resulted in an excess payment of Rs.66,454 between September and May 1990.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter, recover the loss, if any, and get

it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

19. Para I-19: Page 52 – Excess Payment to Contractor – Highways Division Muzaffargarh – Rs.146,300

Audit had observed: “The better fill material was to be provided after filling earth in embankment to protect the sub-base from water logging. The embankment was laid with ordinary soil after dismantling the existing road but paid at the rate of better fill material on higher rate. This resulted in an excess payment of Rs.146,300 in October 1990.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

20. Para I-20: Page 52 – Excess Payment to Contractor – Highways Division Muzaffargarh – Rs.34,305

Audit had observed: “The width of a road was measured upto 14 feet in excess of the designed width of 10 feet. This resulted in an excess payment of Rs.34,305.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

21. Para I-21: Page 52 – Excess Payment to Contractor – Highways Division Bahawalpur – Rs.18,750

Audit had observed: “Item of sub-base course was measured twice in a length of 300 feet in July 1990 which resulted in double payment of Rs.18,750 to a contractor.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

22. Para I-22: Page 52 – Excess Payment to Contractor – Highways Division Bahawalpur – Rs.21,000

Audit had observed: “A contractor left the work and he was declared defaulter in December 1987. On measurement in March 1990 the earth work paid to him was found deficient to the extent of 100,000 cft. This resulted in an excess payment of Rs.21,000.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

23. Para I-23: Page 53 – Excess Payment to Contractor – Highways Division Gujranwala – Rs.28,780

Audit had observed: “Quantity of earth work of an existing embankment was not deducted from the quantity of the earth work paid as per provision of the estimate. This resulted in an excess payment of Rs.28,780 in July 1989.”

13-6-02: Pursuant to the decision of DAC in April 1991, the Committee settled the para subject to the following direction–

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

24. Para I-24: Page 53 – Excess Payment to Contractor – Highways Division Sahiwal-I – Rs.50,683

Audit had observed: “A contractor was declared defaulter under clause 3(c) of contract. Before allotment of the balance work, the work done by him was finally measured in March 1990 which was less than actually done and paid to him in June 1989. The excessive measurements resulted in an excess payment of Rs.50,683 to a contractor.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 October 2002 in the light of the decision of the SDAC. The action taken in

the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

25. Para I-25: Page 53 – Excess Payment to Contractor – Highways Division Sahiwal-I – Rs.43,069

Audit had observed: “A road was to be constructed after dismantling the existing soling which was to be used as sub-base @ Rs.200 per % cft quoted by a contractor. The item was measured in one division but on transfer of the work to another division, the overall measurements of dismantling were recorded without giving exact locations in the Measurement Book and the quantity of the dismantled material was decreased to the extent of 5873 Cft. and paid as sub-base of the stone metal. This resulted in an excess payment of Rs.43,069 in March 1991.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

26. Para I-26: Page 54 – Excess Payment to Contractor – Highways Division Sahiwal-I – Rs.26,730

Audit had observed: “According to the provision of agreement, a contractor was required to execute the earth work as per designed section approved by the Competent Authority. The earthwork was paid in excess of that provided in the technically sanctioned estimate by the Chief Engineer. This resulted in an excess payment of Rs.26,730 in December 1990.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

27. Para I-27: Page 54 – Excess Payment to Contractor – Highways Division Khanewal – Rs.138,837

Audit had observed: “The work construction of a road from “Chowki Chab to 78/15-L” was allotted to a contractor in May 1988. The contractor abandoned the work after receiving payment in January

1990. The work paid to him was measured in June 1990. It was found that the contractor had received more payment than the actual work done by him. This resulted in an overpayment of Rs.138,837 to him.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

28. Para I-28: Page 55 –Excess Payment to Contractor Rs.28,763

Audit had observed: “While measuring the item of Course Rubble masonry the quantity of Bonds of plain cement concrete 1:4:8 was not deducted from the total masonry work as per provision of the approved estimate and design. This resulted in an excess payment of Rs.28,763 in July, 1989.”

23-5-95: The Department explained that the recovery had been made. **Para was settled** subject to verification of recovery.

29. Para I-29: Page 55 – Excess Payment to Contractor Rs.13,542

Audit had observed: “Top width of retaining walls was measured in certain cases in excess of the designed width of 2 feet. This resulted in an excess payment of Rs.13,542 in June 1989.”

23-5-95: The Department explained that recovery had been made. **The para was settled** subject to verification of recovery by Audit.

30. Para I-30: Page 56 – Excess Payment to Contractor Rs.669,489

Audit had observed: “Price variation for Mild Steel bars was paid to a contractor in December 1988 against the provisions of sub-clause 5 of the price variation clause of the agreement. This resulted in an overpayment of Rs.669,489.”

27-2-95: The explanation of the Department was accepted in this particular case and **the para was settled.**

31. Para I-31: Page 56 – Excess Payment to Contractor – Highways Division Gujranwala – Rs.390,000

Audit had observed: “A contractor quoted item rate for making embankment according to highway specification with all leads and lifts. Later on, an extra item was sanctioned by the Superintending Engineer without waiting for the advice of the Road Research and Material Testing Institute called for by his predecessor. Moreover, the item of road structure costing Rs.512,000 were deleted to meet the extra amount to be paid for this item inspite of the fact

that the scheme was to be revised on the basis of inadequacy of cross drainage. This resulted in an overpayment of Rs.390,000.”

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

32. Para I-32: Pages 56-57 – Excess Payment to Contractor Rs.627,246

Audit had observed: “Price variation of steel was paid by adopting incorrect base price of steel for Rs.6,800 per Metric Ton in January 1987 instead of Rs.7,200 notified by Pakistan Engineering Company and circulated by the Chief Engineer Buildings (North). This resulted in an overpayment of Rs.627,246 in December 1988.”

27-2-95: The explanation of the Department was accepted in this particular case and **the para was settled.**

33. Para I-33: Page 57 – Excess Payment to Contractor – Highways Division Chakwal – Rs.18,458

Audit had observed: “Quantities in excess of those provided in the Bill of Quantities and agreement were paid at higher rates instead of the rates contained in the Composite Schedule of Rates, 1979. This resulted in an overpayment of Rs.18,458 in September 1989.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

34. Para I-34: Page 57 – Excess Payment to Contractor Rs.149,873

Audit had observed: “Approved design of walls provided an off-set of six inch on either side of the concrete filled in the foundation. While taking measurements of the walls the width of the first step of Course Rubble masonry was recorded, in some cases equal to the width of the foundation concrete including the off-set. This resulted in an excess payment of Rs.149,837 to a contractor in January 1989.”

23-5-95: The Public Accounts Committee was dissatisfied with the explanation of the Department and directed that amount overpaid might be recovered form the officers/officials concerned alongwith disciplinary action. The action of recovery & disciplinary proceedings might be completed within 3 months. **The para was kept pending.**

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall implement the directive of the PAC dated 23 May 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

35. Para I-35: Page 58 – Excess Payment to Contractor – Highways Division Sahiwal – Rs.30,000

Audit had observed: “The accuracy of road structure and credit for dismantled material was got certified by the Provincial Development Working Party before according to administrative approval to a scheme. The item of dismantling of existing soling was measured in a length of 4500 rft. by the Sub-Divisional Officer in September 1988 and paid accordingly. Subsequently, the item was re-measured by the Sub-Engineer in November 1988, reducing the length to 4000 rft. against the provision of 5280 rft in the administrative approval. This enabled the Department to benefit the contractor by allowing him higher rates which resulted in an excess payment of Rs.30,000 in November 1990.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

36. Para I-36: Page 58 – Excess Payment to Contractor – Highways Division Khanewal – Rs.358,022

Audit had observed: “An overpayment of Rs.767,411 was made in February 1989 by taking excess measurements of work done (Rs.293,842) allowing secured advance without material (Rs.445,633) and postponement of recovery of hire charges (Rs.27,936). The amount of overpayment was in the first instance placed in “Misc. P.W. Advances” in August 1990 and subsequently adjusted in February 1991 against security deposits of various works including works in progress being executed at the risk and cost of the contractor. This resulted in an overpayment of Rs.767,411 and subsequent incorrect adjustment of Rs.358,022.”

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

37. Para I-37: Page 59 – Excess Payment to Contractor – Highways Division Rahim Yar

Khan – Rs.91,450

Audit had observed: “Measurement for the item of base course was recorded including thickness of triple surface treatment and the quantity payable for the base course was worked out after deduction of 1” thickness for triple surface treatment instead of the volume of material unused in the item of work. The Department should have deducted the volume of the material instead of 1” thickness of the triple surface treatment because it has not been specified anywhere either in the Composite Schedule of Rates 1979 or in the book of specification. This resulted in an excess payment of Rs.91,450 in July 1990.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

38. Para I-38: Page 60 – Excess Payment to Contractor – Highways Division Toba Tek Singh – Rs.32,985

Audit had observed: “A contractor was paid for thickness of 6.17” sub-base instead of the approved design of 6” provided in the estimated. This resulted in an excess payment of Rs.32,985.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

39. Para I-39: Page 60 – Excess Payment to Contractor – Highways Division Bahawalpur – Rs.47,056

Audit had observed: “The Highways Department made payments on account of incorrect measurements and rates more than what were due to a contractor in September 1988 whose balance work had already been decided to be executed from another contractor on his (original) risk and cost in May 1988. Payments more than the work done to the contractor resulted in an overpayment of Rs.47,056 to him.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

Finance Department by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

40. Para I-40: Page 61 – Excess Payment to Contractor – Highways Division Khanewal – Rs.61,508

Audit had observed: “Items of sub-base and base course were measured in a length of 27398 rft. and 26900 rft. against the actual length of 26400 rft. leading to an excess measurement of 998 and 500 rft. respectively. The excessive measurement arose due to not recording of the exact locations. This resulted in an overpayment Rs.61,508 to a contractor in January 1990.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

41. Para I-41: Page 61 – Excess Payment to Contractor – Highways Division Sahiwal – Rs.36,883

Audit had observed: “Quantity of earth work for making embankment was paid for a section of the road although there was no provision of earth filling of this section in the revised estimate technically sanctioned by the Superintending Engineer. This resulted in an excess payment of Rs.36,883 in June 1990.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

42. Para I-42: Page 61 – Excess Payment to Contractor Rs.37,975

Audit had observed: “The item of providing and laying mild steel re-enforcement was paid along with the item of reinforced cement concrete (R.C.C.) in July, 1989. The measurements of item of mild steel re-enforcement were subsequently recorded in another measurement book by ante-dating them as 23rd June, 1989 with increased quantity and paid in October, 1989. The unauthorised measurements resulted in an overpayment of Rs.37,975.”

27-2-95: The Secretary Communications & Works assured that there was no double payment or irregular payment in this case. The **para was settled** subject to verification of record by Audit to prove the departmental contention.

43. Para II-1: Page 63 – Non Recovery of Government dues Rs.458,667

Audit had observed: “An extra expenditure of Rs.458,667 incurred for construction of a bridge at the risk and cost of the defaulting contractor from June 1986 to August 1990 (running payments) was not recovered.”

23-5-95: The Department explained that an Arbitrator had been appointed in the matter by the Department the decision of which was awaited.

The Public Accounts Committee directed, that Department should pursue the case vigorously to get the decision early. Moreover, the Department should produce the relevant proceedings of the Arbitrator in the next meeting.

The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action in the light of the award of the Arbitration. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

44. Para II-2: Page 63 – Non-recovery of Government Dues – Highways Division Rawalpindi – Rs.227,289

Audit had observed: “A contractor was declared defaulter under clause 3(c) & balance work was got completed at his risk and cost in April 1990. The additional expenditure of Rs.227,289 recoverable from the original contractor was not effected.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

45. Para II-3: Page 63 – Non Recovery of Government dues Rs.280,102

Audit had observed: “During physical verification of stock, a quantity of 124,056 cft. stone aggregate (38,475+85,581) worth Rs.280,102 (secured material of base course) was found short and recovery was not effected by the Department from contractor/person at fault.”

23-5-95: The Department explained that an amount of Rs.188,284 had been recovered and disciplinary action had been initiated against the defaulting officer. After the consideration of the reply of the Department the Committee directed that para may be reduced to Rs.91,826 and its recovery may be pursued vigorously. The para was kept pending for balance recovery.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 23 May 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

46. Para II-4: Page 64 – Non Recovery of Government dues Rs.389,719

Audit had observed: “A contractor was declared under clause 3(c) and the balance work was allotted to another contractor on his risk and cost in June 1989. The additional expenditure of Rs.389,719 upto September 1989 on account of risk and cost recoverable from the defaulter contractor was not effected from him.”

23-5-95: The Department explained that the defaulting contractor went into Court of Law and Court had referred the case to arbitration. The arbitrator had not yet declared his award.

The Public Accounts Committee directed that Department and Audit jointly should work out ways and means to get an early decision from the arbitration. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action in the light of the award of the Arbitration. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

47. Para II-5: Page 64 – Non Recovery of Government dues Rs.68,640

Audit had observed: “An amount of Rs.68640 pertaining to hire charges recoverable from a contractor was not effected from his running payments of Rs.8,615,673 made to him upto the 4th running bill paid in November 1989. This resulted in an undue financial aid to him due to weak Technical and Accounting Controls.”

23-5-95: The Department could not convince the Public Accounts Committee about the overpaid amount of Rs.68,640

The Public Accounts Committee directed that Secretary Communications & Works and Director General, Audit should jointly conduct an enquiry and fix responsibility for the irregularity and defaulter should also be proceeded against under the rules. The Committee observed that Mr. Hamayun Khan, XEN had committed irregularities in so many cases at the present posting place therefore, he may be transferred to Head Office immediately. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

48. Para II-6: Page 64 – Non Recovery of Government dues Rs.267,565

Audit had observed: “An amount of Rs.267,565 was recoverable on account of hire charges of machines from different contractors. As per agreement the recovery of the hire charges was required to be made through running bills of the contractors but the department failed to do so. This resulted in an undue financial aid to them due to weak Technical and Accounting controls.”“

23-5-95: The Department stated that total amount had been recovered. **The para was settled** subject to verification of recovery by Audit.

49. Para II-7: Page 65 – Non-Recovery of Government Dues – Highways Division D.G. Khan – Rs.148,068

Audit had observed: “An amount of Rs.148,068 on account of hire charges of machines was not recovered from contractors. This amounted to undue financial aid to them due to weak Technical and Accounting Controls.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

50. Para II-8: Page 65 – Non-Recovery of Government Dues – Highways Division D.G. Khan – Rs.263,195

Audit had observed: “Fifty four Metric Ton bitumen was issued to a contractor against the required quantity of 47.60 Metric Ton. The contractor was declared defaulter under Clause 3(c) of the agreement with 37.44 Metric Ton bitumen worth Rs.263,195 due from him.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

51. Para II-9: Page 65 – Non Recovery of Government Dues Rs.23,300

Audit had observed: “Lease money amounting to Rs.23,300 for Petrol Pump Sites for the period July, 1989 to July, 1990 was not recovered.”

23-5-95: The Department explained that an amount of Rs.6,600 was recovered and verified by Audit. The matter of remaining amount of Rs.16,708 was pending in the High Court.

The para was settled subject to the decision of High Court and verification of the same by Audit.

52. Para II-10: Page 65 – Non-Recovery of Hire Charges of Machinery of Rs.133,748

Audit had observed: “Hire charges of Bulldozer amounting to Rs.133,748 used by two contractors were not recovered although payments for the work done by the machine were made to them in July and August, 1990.”

27-2-95: The para was settled subject to verification of record by Audit.

53. Para II-11: Page 66 – Non-Recovery of Government dues of Rs.637,700

Audit had observed: “A sum of Rs.637,700 (Risk and cost amount Rs.438,500 + cost of bitumen Rs.169,800 and hire charges Rs.29,400) due from a contractor who was declared defaulter under clause 3(c) of agreement was not recovered by the Department.”

27-2-95: The Public Accounts Committee was of the opinion that the recoverable amount from the contractor should had been realized/forfeited from his security deposits and he also had been black listed. The recovery was proposed to be effected as arrears of land revenue. The Committee also directed that excess issuance of bitumen to the contractors should also be checked.

The Department promised to proceed for the recovery as arrears of land revenue. The case for black listing the contractor would also be processed and in future bitumen would be issued with the approval of XEN. The para was kept pending.

13-6-02: In light of the decision of the PAC dated 27 February 1995, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall be taken against the persons at fault. Other action as desired by the PAC in its meeting dated 27 February 1995 shall also be taken. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

54. Para II-12: Page 66 – Non-Recovery of Government Dues – Bridge Construction Division Bahawalnagar – Rs.48,000

Audit had observed: “Recovery of Rs.48,000 for the cost of 5.170 Metric Ton. bitumen issued in excess of requirement of the work was not made from the contractor till March 1990.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

55. Para II-13: Page 67 – Non-Recovery of Government Dues – Machinery Maintenance Division Bahawalpur – Rs.881,300

Audit had observed: “Hire charges of Machinery amounting to Rs.881,300 for 1987-88 and 1989, were not recovered from contractors.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

56. Para II-14: Page 67 – Non-Recovery of Government Dues – Highways Division T.T. Singh – Rs.31,894

Audit had observed: “Hire charges of Machinery amounting to Rs.31,894 were not recovered from a

contractor during December 1988.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

57. Para II-15: Page 67 – Non-Recovery of Government Dues – Highways Division Sialkot – Rs.409,114 + Rs.85,914

Audit had observed: “A contractor did not complete a work within the agreed time and was declared defaulter in January 1989. Secured Advance amounting to Rs.409,114 outstanding since May 1988 with interest amount of Rs.85,914 @ 12% per annum under clause 7 of “Indenture for Secured Advances” for the period upto January 1990 was not recovered from the contractor.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

58. Para II-16: Page 68 – Non-Recovery of Government Dues – Highways Division D.G. Khan – Rs.166,530

Audit had observed: “A work comprising two groups was allotted to one contractor by the Superintending Engineer concerned and later on, the contractor was declared defaulter by him. The balance work was required to be allotted by the Superintending Engineer himself but the Executive Engineer allotted the balance work unauthorisedly to another contractor on unreasonable rates. Subsequently the rates were reduced while making 6th running payment in May 1990 for which no authority was available on record and the minus amounts of the bills of the second contractor were adjusted against the security deposits leaving a balance of Rs.166,530 placed in Misc. “P.W. Advances” as recoverable from the contractor.”

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

59. Para II-17: Page 68 – Non-Recovery of Government Dues – Highways Division Layyah – Rs.177,668

Audit had observed: “A contractor was declared defaulter under clause 3(c) and an amount of Rs.177,668 on account of secured advance outstanding against him was not recovered.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

60. Para II-18: Page 68 – Non-Recovery of Government Dues – Highways Division R.Y Khan – Rs.47,645

Audit had observed: “Hire charges of machinery were not recovered from the payments made in July/August 1988 for the work done by machinery. This resulted in non-recovery of Rs.47,645 and undue financial aid to a contractor due to weak Technical and Accounting Controls.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

61. Para II-19: Page 69 – Non-Recovery of Government Dues – Highways Division Muzaffargarh – Rs.226,000

Audit had observed: “Cost of the dismantled material determined in December 1989 was not recovered from a contractor from the subsequent payments made to him upto November 1990. This resulted in non-recovery of Rs.226,000.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

62. Para II-20: Page 69 – Non-Recovery of Government Dues – Highways Division Layyah – Rs.166,800

Audit had observed: “22.14 M.Ton bitumen was neither taken back from the contractor whose contract was rescinded under clause 3(c) of the agreement nor a report for unauthorized lifting of the Government material was lodged with the police. This resulted in non-recovery of Rs.166,800 form the contractor.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

63. Para II-21: Page 70 – Non-Recovery of Government dues of Rs.23,636

Audit had observed: “Two contractors could not complete the works within the stipulated time. Therefore, while granting extension in time limit penalty of Rs.23,636 was imposed by the Superintending Engineer in January, 1990 but it was not recovered till September, 1990 from running payments made to both the contractors.”

27-2-95: The recovery of Rs.23,636 was completed and verified by Audit. The para was settled.

64. Para II-22: Page 70 – Non-Recovery of Government Dues – Highways Division Jhang – Rs.163,814

Audit had observed: “An extra expenditure of Rs.615,865 was incurred at the risk and cost of the original contractor upto June 1988. An amount of Rs.163,814 was adjusted from the security deposit but the balance amount of Rs.452,051 was recoverable.”

13-6-02: The Committee settled the para with the direction that subject to the decision of the court, the recovery shall be effected and reported to the Audit for verification, the Finance Department and the Assembly Secretariat by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

65. Para II-23: Page 70 – Non-Recovery of Government Dues – Highways Division Jhang – Rs.30,572

Audit had observed: “A contractor left the work incomplete and the remaining work was got completed departmentally in August 1990. An extra expenditure of Rs.30,572 incurred by the Department on the left over work recoverable from the defaulting contractor was not recovered.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

66. Para II-24: Page 70 – Non-Recovery of Government Dues – Highways Division Layyah – Rs.59,550

Audit had observed: “The lease money was not recovered from the lessees of Petrol Pumps at the revised rates enforced with effect from 1st July 1990. This resulted in non-recovery of Rs.59,550.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

67. Para II-25: Page 71 – Non-Recovery of Government Dues – Highways Division Bahawalpur – Rs.42,868

Audit had observed: “An amount of Rs.143,868 was paid in March & April 1987 to a sister division as hire charges of machinery on behalf of a contractor but a recovery of Rs.101,000 only was made although six running payments were made to the contractor after April 1987. The postponement of the recovery resulted ultimately in non-recovery of Rs.42,868 due to abandonment of the work by the Contractor.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

68. Para II-26: Page 71 – Non-Recovery of Government Dues – Highways Division Bahawalpur – Rs.31,320

Audit had observed: “19.76 M.Ton bitumen was issued to a contractor upto September 1989 and recovery of 16.28 Metric Ton was effected upto November 1989. The contractor was declared defaulter in July 1990. Neither 3.48 M.Ton bitumen worth Rs.31,320 was taken back upto February 1991 nor the cost thereof was recovered.”

13-6-02: On consideration of the facts of the case, the Committee settled the para

subject to the following direction–

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

69. Para II-27: Page 71 – Non-Recovery of Government Dues – Highways Division Bahawalpur – Rs.73,445

Audit had observed: “A contractor was declared defaulter under clause 3(c) and final measurements of the work done by him were recorded by a committee. As per report of the Committee, the bricks and brick bats received after dismantling were not available at site. Neither a report for unauthorized lifting of the Government material was lodged with the police nor the amount of Rs.73,445 was recovered from the contractor.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

70. Para II-28: Page 72 – Non-Recovery of Government Dues – Highways Division Bahawalpur – Rs.355,000

Audit had observed: “An extra expenditure incurred at the risk and cost of a defaulting contractor upto December 1990 was not recovered. This resulted in non-recovery of Rs.355,000.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

71. Para II-29: Page 72 – Non-Recovery of Government Dues – Highways Division R.Y. Khan – Rs.470,244

Audit had observed: “An extra expenditure of Rs.470,244 incurred at the risk and cost of the original

contractor was not recovered from him.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

72. Para II-30: Page 72 – Non-Recovery of Government Dues – Highways Division Bahawalpur – Rs.61,727

Audit had observed: “A work allotted in June 1988 was required to be completed in April 1989. The contractor was declared defaulter in July 1990 but action under clause 3(c) was not taken upto February 1991. The possibility of recovery of the material was likely to become remote due to unjustified delay in decision making. Moreover, the recovery of Rs.61,727 of secured advance paid in November, 1989 to the contractor was still outstanding.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

73. Para II-31: Page 73 – Non-Recovery of Government Dues – Highways Division Khanewal – Rs.20,530

Audit had observed: “Hire charges of machinery were not recovered from the running payments made to contractor for the work done by machines. This resulted in non-recovery of Rs.20,530 and undue financial aid to the contractor due to weak Accounting and Administrative Controls.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

74. Para II-32: Page 73 – Non-Recovery of Government Dues – Highways Division Sahiwal-I – Rs.103,363

Audit had observed: “Secured advance on 19,304 cft stone was allowed to a contractor in November and December 1988. The contractor became defaulter and as per final measurements of his work in March 1990 only a quantity of 3,402 cft. was available at site. This resulted in an unauthorized lifting of 15,902 cft material worth Rs.79,510 which increased to Rs.103,363 upto May 1991 with the interest amount @ 12% from 1st December 1988 to 31 May 1991.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

75. Para II-33: Page 73 – Non-Recovery of Government Dues – Highways Division Sahiwal-I – Rs.198,819

Audit had observed: “21.81 Metric Ton bitumen was issued to a work in June 1988 to utilize the budget grant although the work to which the bitumen was charged, stood allotted to a contractor who had not completed a single foot of base course. Later on, the contractor became defaulter under clause 3 (c) of the agreement but material issued was not taken back. This resulted in an irregular issue of store and non-recovery of Rs.198,819.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

76. Para II-34: Page 74 – Non-Recovery of Government Dues – Highways Division Khanewal – Rs.116,252

Audit had observed: “A contractor was declared defaulter in April 1990 but interest on the secured advance of Rs.445,632 amounting to Rs.116,252 upto February 1991 was not recovered as per the indenture bond.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

77. Para II-35: Page 74 – Non-Recovery of Government Dues – Machinery Maintenance Division Multan – Rs.390,958

Audit had observed: “The departmental machinery was lent out to contractors without obtaining hire charges in advance as required under the rules. This resulted in non-recovery of hire charges of Rs.390,958 from December 1989 to October 1990.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

78. Para II-36: Page 74 – Non-Recovery of Government Dues – Machinery Maintenance Division Multan – Rs.1,044,297

Audit had observed: “Machinery was lent out on hire to other Departments/agencies but hire charges were recovered at a rate less than 5 percent per mensem of the original purchase price of the plant/machine. This resulted in less recovery of Rs.1,044,297.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

79. Para II-37: Page 75 – Non-Recovery of Government Dues – Highways Division Khanewal – Rs.19,000

Audit had observed: “Hire charges of Diesel Road Roller were recovered less than due from a contractor for the months of June and August 1989. This resulted in a less recovery of Rs.19,000 and an undue financial aid to a contractor due to weak accounting and technical controls.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

80. Para II-38: Page 75 – Non-Recovery of Government Dues-Rs.42,891

Audit had observed: “Secured advance amounting to Rs.135,576 was given to a contractor and recovery of Rs.92,685 was effected in April, 1989 leaving a balance of Rs.42,891, recoverable from him. The contractor abandoned the work subsequently. This resulted in non-recovery of Rs.42,891.”

23-5-95: The Public Accounts Committee was not convinced by the explanation of the Department. The para was kept pending for complete recovery.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 23 May 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

81. Para II-39: Page 75 – Non-Recovery of Government Dues – Highways Division Rawalpindi – Rs.64,581

Audit had observed: “Two groups of a work were allotted to one contractor. Out of 27 Metric Ton bitumen issued to him recovery of only 16 Metric Ton was effected on October 1987 leaving balance recovery of Rs.64,581 for 11 Metric Ton.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

82. Para II-40: Page 76 – Non-Recovery of Government Dues Rs.54,318

Audit had observed: “A contractor quoted rate of R.1 against the estimated rate of Rs.650/03 per % cft. for dry rubble masonry and became the lowest bidder. The item was not executed. The condition No.3 of the agreement laid if the items carrying less rate than the schedule rate plus permissible premium were reduced without explicit written order of the

competent authority, the difference between the tendered rates and schedule rates plus permissible premium was to be recovered for the quantity so reduced. Since written order of the competent authority was not obtained for reduction of the quantity, it resulted in non-recovery of Rs.54,318.”

23-5-95: The Department explained that the recovery of Rs.54,318 was completed. **The para was settled subject to verification** of recovery by Audit.

83. Para II-41: Page 76 – Non-Recovery of Government Dues Rs.92,758

Audit had observed: “A contractor did not complete the work and was paid finally in April, 1988 after executing work cost Rs.2,722,622 against the agreement cost of Rs.2,926,624. The incomplete work of constructing causeway in mile 4 was allotted to another contractor on higher rates but extra expenditure of Rs.92,758 was not recovered from the original contractor.”

23-5-95: The explanation of the Department was accepted and relevant record was verified by Audit in the meeting. **The para was settled.** Anyhow, the Public Accounts Committee directed that action may be taken against the concerned XEN for making misrepresentation in the Departmental reply contained in the working paper.

84. Para II-42: Page 77 – Non-recovery of Government Dues – Highways Division Sahiwal – Rs.27,188

Audit had observed: “Extra expenditure of Rs.225,066 was incurred at the risk and cost of the original contractor. An amount of Rs.187,151 was recovered from the security of the original work and Rs.10,727 from the security of another work of the same contractor in January 1989 which was verified by Audit during Departmental Accounts Committee meeting in August 1991. The balance recovery of Rs.27,188 was still outstanding.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

85. Para II-43: Page 77 – Non-Recovery of Government Dues Rs.28,222

Audit had observed: “According to the agreement if the quantities of items for which the contractor quoted lesser rates than the estimated rate, were reduced without explicit written orders of the competent authority, the difference between the quoted rate and the schedule rate alongwith prevailing premium for the item would be recovered from the contractor. Item of plain cement concrete 1:4:8 in retaining and breast walls was not fully executed at site as the

contractor had quoted lower rate for this item than the estimated rate. Although the item of the plain cement concrete was not fully executed at site, the recovery on this account as provision of the agreement was not made resulting in a loss of Rs.28,222 in January, 1989.”

23-5-95: The Department explained that recovery had been made. **The para was settled** subject to verification of recovery/record by Audit.

86. Para III-1: Page 79 – Loss to Government – Highways Division Sahiwal – Rs.388,332

Audit had observed: “The cost of a work tendered by a contractor was 11.4% above the approved PC-I cost. The tender was sent to the Chief Engineer on 29 June 1987 for acceptance. The tender was accepted on 25 August 1987 by the Chief Engineer and acceptance communicated to the contractor on 1st September 1987 i.e. after 68 days of the receipt of the tender. The contractor refused to execute the work on the plea that his offer was not accepted within the stipulated period of 60 days. The work was, later on, allotted for Rs.4,370,213 at higher rates. The delay in acceptance of the tender on the part of the Chief Engineer resulted in a loss of Rs.388,332 to the Government.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

87. Para III-2: Page 79 – Losses to Government Rs.229,084

Audit had observed: “A scheme of widening, raising and improvement of Khushab Sargodha Road was approved at a cost of Rs.19,241,000. Tenders of one group of the scheme costing Rs.8,355,203 were called and accepted at a reduced cost of Rs.9,905,104 (quoted cost of Rs.12,227,899) by adding the bitumen cost of Rs.259,748 to the tendered cost in order to keep the cost of tender within the ceiling of 15% above the administratively approved cost.”

23-5-95: The Department explained that the scheme was completed within amount of the administrative approval + 15% permissible excess. Moreover, a precedent/decision of the previous Public Accounts Committee dated 15-7-1992 was also brought to the notice of the Committee.

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

88. Para III-3: Page 80 – Loss to Government – Highways Division Faisalabad – Rs.248,150

Audit had observed: “Tenders for a work received in November 1987 were accepted at rates which were 25 percent above the administratively approved cost instead of 15% permissible ceiling fixed by the Government in the Delegation of Powers, 1962. This unauthorized acceptance of higher rates resulted in an extra expenditure of Rs.248,150 upto September 1989.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

89. Para III-4: Page 80 – Loss to Government – Highways Division Rajanpur – Rs.74,984

Audit had observed: “A work allotted to a contractor by the Department in December 1983, was left incomplete. The balance work (at the risk and cost of the original contractor) was allotted to an other contractor in April 1987. The rate of recovery of bitumen in the contract of the 2nd Contractor was shown to be the same (Rs.3,500 per Metric Ton) as of the original contract instead of prevailing issue rate of Rs.4,200 per Metric Ton. Since the work was got completed at the risk and cost of the original contractor, the increase in the cost of bitumen was also recoverable from the defaulter contractor. The incorrect provision in the contract of the 2nd contractor therefore, resulted in less recovery of Rs.74,984 which is a loss to the Government.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

90. Para III-5: Page 81 – Losses to Government Rs.2,235,000

Audit had observed: “Heavy expenditure was incurred on running machinery without corresponding out-turn because the machines were shown each month idle. The account was also not closed yearly to avoid detection of the loss which accumulated to Rs.2,235,000 upto October 1988.”

23-5-95: The Department explained that machinery rates were fixed which were running on roads. Machinery was too old. Therefore, these remained mostly out of order. The audit pointed out that adjustment of out turns had not been got verified. The Committee directed that the adjustment of out turns might be reconciled with the Audit. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 23 May 1995, **the Committee settled the para subject to the following direction–**

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

91. Para III-6: Page 81 – Losses to Government Rs.395,696

Audit had observed: “A work was unauthorisedly split into two groups without obtaining the orders of the Chief Engineer. Tenders for both the groups were called on 24 April 1988. The lowest bid for Group-II was 14.96% above the PC-I cost. The tender of Group-I was accepted at 4.32% above the PC-I cost. Hence the action of splitting the scheme was against the canons of financial propriety which resulted in a loss of Rs.395,696 in November 1989.”

27-2-95: The Department admitted that splitting was there but competition was fair and cost within the allocation. The Audit pointed out that the work had been allotted to the same contractor on the same date by splitting the same work.

The Public Accounts Committee directed that inquiry may be held under the E&D Rules against the XEN concerned. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 27 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

92. Para III-7: Page 82 – Loss to Government – Highways Division Bahawalpur – Rs.222,108

Audit had observed: “A road work administratively approved for Rs.7,024,000 was irregularly split into four groups for tendering without approval of the Chief Engineer. Subsequently, the tenders called on 14 May 1989 were not accepted within the validity period of 60 days and afterwards allotted at higher rates resulting in a loss of Rs.222,108 to the Public Exchequer.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

93. Para IV-1: Page 83 – Non-Accountal of Government Stores – Highways Division Muzaffargarh – Rs.113,115

Audit had observed: “Balance material worth Rs.113,115 lying on Road Metal return of a road in December 1989 was not accounted for in the new Road Metal return. This resulted in misappropriation of the material.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

94. Para IV-2: Page 83 – Non-Accountal of Government Stores Rs.260,000

Audit had observed: “Fifty Metric Ton bitumen worth Rs.260,000 was issued direct to a work but the cost thereof, was not recovered upto December 1990.”

23-5-95: The Department explained that bitumen was booked by Mirza Ghulam Rasool, Sub-Engineer and enquiry was being conducted against him under E&D Rules.

The Committee directed that the disciplinary proceedings should be completed within 3 months and the concerned Sub-Engineer might be placed under suspension forthwith. If the said Sub-Engineer is found guilty a criminal case should also be registered against him. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 23 May 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

95. Para IV-3: Page 83 – Non-Accountal of Government Stores Rs.83,538

Audit had observed: “Thirty nine Metric Ton bitumen was issued against actual requirement of 23.25 Metric Ton on 29 June 1987 to utilize the budget grant. Recovery of 23.25 Metric Ton was made from the final bill of the contractor but the balance quantity was neither recovered nor taken back on stock. This resulted in misappropriation of the material worth Rs.83,538.”

23-5-95: The Department explained that bitumen was booked by Mirza Ghulam Rasool, Sub-Engineer and enquiry was being conducted against him under E&D Rules.

The Committee directed that the disciplinary proceedings should be completed within 3 months and the concerned Sub-Engineer may be placed under suspension forthwith. If the said Sub-Engineer is found guilty a criminal case should also be registered against him. The

para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 23 May 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

96. Para IV-4: Page 83 – Non-Accountal of Government Stores – Highways Division Gujranwala – Rs.77,919

Audit had observed: “Seventeen Metric Ton bitumen amounting to Rs.77,919 was shown as issued to works from April 1988 to December 1988 but its subsequent accountal and consumption was not available on record. The possibility of misappropriation of the material in the absence of bonafide consumption could not be ruled out.”

13-6-02: Pursuant to the decision of DAC in April 1991, **the Committee settled the para subject to the following direction–**

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

97. Para IV-5: Page 84 – Non-Accountal of Government Stores – Highways Division Chakwal – Rs.201,188

Audit had observed: “36.50 Metric Ton bitumen was issued from store in May and July 1987 to contractors but the cost was neither debited to their ledger account nor recovered. This resulted in misappropriation of the material worth Rs.201,188.”

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

98. Para IV-6: Page 84 – Non-Accountal of Government Stores Rs.44,528

Audit had observed: “A quantity of 7.98 Metric Ton bitumen was received short than the quantity dispatched by the Sub-Divisional Officer procurement sub-division, Karachi from November 1988 to February 1989. This resulted in shortage of bitumen worth Rs.44,528.”

23-5-95: In 1988 bitumen worth Rs.44,528 was received short and despite the lapse of about 7 years neither the recovery was effected nor the responsibility was fixed for not finalizing the case.

The Public Accounts Committee took serious notice of the fact and directed that an

enquiry should be conducted to probe the matter why a long outstanding case could not be finalized and why the responsibility was not fixed for short receipt of bitumen. The Committee further directed that this action should be completed within 3 months. Moreover, the persons responsible should also be proceeded against for recovery and other penalty. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 23 May 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

99. Para IV-7: Page 85 – Non-Accountal of Government Stores Rs.23,400

Audit had observed: “An estimate of special repairs to a section of road specifying 65 Lbs bitumen and 8 Cft bajri for the area of hundred square feet was sanctioned by the department and the work was completed departmentally in June, 1989. Subsequently, in October, 1989 special resurfacing with 22 Lbs bitumen and 3.5 Cft bajri was done on same section of the road without bringing full facts to the higher authorities. The case involving special repairs and resurfacing of the same work amounts to double payment. The fact that the materials worth Rs.23,400 were misappropriated, could not be ruled out.”

23-5-95: The Public Accounts Committee disliked the practice used in execution of work. Anyhow **the para was settled** with the remarks that neither this practice should be used in other works nor this decision should be quoted as precedent in other cases in future.

100. Para IV-8: Page 85 – Non-Accountal of Government Stores of Rs.30,808

Audit had observed: “An estimate of special repair to two sections of a road specifying 65 Lbs bitumen and 8.25 Cft bajri for the area of hundred square feet was sanctioned by the department in May, 1990 and the expenditure was charged to annual repairs of the same sections of the road which had already been resurfaced in June, 1990. The case involving special repairs and resurfacing of the same work during the same period amounts to the double payment. The fact that the materials worth Rs.30,808 were misappropriated, could not be ruled out in the case.”

27-2-95: The explanation of the Department was accepted and **the para was settled.**

101 Para V-1: Page 86 – Irregular/Unjustified Expenditure – Highways Division Rawalpindi – Rs.2,911,976

Audit had observed: “Government of the Punjab, Finance Department imposed ban on 2 June 1990 on all types of payment to contractors in order to control the expenditure during June 1990. In violation of the Government orders dated 2 June 1990 read with subsequent orders dated 10 June 1990 the Department made payment of Rs.2,911,976 after 2 June 1990 which was irregular and unjustified.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

102. Para V-2: Page 86 – Irregular/Unjustified Expenditure – Highways Division Bahawalpur – Rs.104,144

Audit had observed: “A contractor was declared defaulter under clause 3(c) in May 1988. Subsequently, he was given time of five months by the Court at his request to complete the work. Bitumen of 27.76 Metric Ton was issued in June 1988 on three indents in excess of the actual requirements. Later on, the contractor was again declared defaulter. He lifted 11.32 Metric Ton bitumen and abandoned the work. This resulted in non-recovery of Rs.104,144.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

103. Para V-3: Page 87 – Irregular/Unjustified Expenditure – Highways Division Khanewal – Rs.357,171

Audit had observed: “A sum of Rs.412,727 was paid to a sister division on 6 June 1990 for resurfacing of a road and simultaneously material worth Rs.357,171 was purchased and charged to the special repair of the same road on the 30 June 1990 which was not justified.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter and take disciplinary action, if necessary. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

104. Para V-4: Page 87 – Irregular/un-Justified Expenditure Rs.162,265

Audit had observed: “The item of providing and laying reinforced Cement Concrete (R.C.C) sewer pipe 30” not provided in the agreement was paid without approval of the competent authority at the rate of Rs.373 per Rft. instead of the permissible rate of Rs.196 vide item No.2(VII) page 170 of Composite Schedule of Rates, 1979 plus permissible

premium. This resulted in an irregular expenditure of Rs.341,948 an excess payment of Rs.162,265 in December, 1989.”

27-2-95: The **para was settled** subject to the approval of rate by the Technical Committee of Communications & Works Department.

105. Para V-5: Page 88 – Irregular/Unjustified Expenditure – Highways Division Jhelum – Rs.45,200

Audit had observed: “A causeway was constructed by laying Plain Cement Concrete 1:2:4 one foot thick for which the rate of Rs.3000 per %cft. was quoted against the estimated rate of Rs.1606.62. The items of filling boulders one foot thick and cement concrete 1:6:12 were not got executed because the rates quoted for these items were Rs.1 and Rs.0.01% cft. against the estimated rates of Rs.550 and Rs.719.60. This resulted in undue financial aid to the contractor and a loss of Rs.45,200 to the Government in April 1989.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

106. Para V-6: Page 88 – Irregular/Unjustified Expenditure – Highways Division Jhelum – Rs.205,947

Audit had observed: “A contractor quoted very low rates for road structural items and consequently, became the lowest bidder. Subsequently, these items were not got executed because the contractor would have received only Rs.387, had he executed the work costing Rs.205,947. This resulted in an undue financial benefit to a contractor.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

107. Para V-7: Page 89 – Irregular/Un-Justified Expenditure of Rs.1,173,413

Audit had observed: “Government of the Punjab, Finance Department imposed ban on all types of payment to contractors in order to control the expenditure during June, 1990. In violation of the Government orders, a payment of Rs.1,173,413 was released which was

irregular and un-justified.”

23-5-95: The Department assured the Committee that no expenditure had been incurred in violation of the ban on payments.

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

108. Para V-8: Page 89 – Irregular/Unjustified Expenditure – Highways Division Sahiwal-I – Rs.1,330,300

Audit had observed: “The Department declared the original contractor defaulter in December 1989 under clause-2 of the agreement and decided in January 1990 to execute the balance work departmentally under clause 3(b) of the agreement. The materials worth Rs.1,330,300 were procured through a contractor for this purpose for use on the left over work. However, the Department, instead of getting the work completed departmentally, as already decided, got the work executed through the original contractor in violation of clause 3(b) of the agreement. Moreover, the procured materials were supplied to him which resulted in an undue financial aid of Rs.1,330,300 to the said contractor in February, April and May 1990.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter and take disciplinary action, if necessary. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

109. Para V-9: Page 90 – Irregular/Unjustified Expenditure – Highways Division T.T. Singh – Rs.131,700

Audit had observed: “Technically sanctioned estimate provided for thickness of base course as 4” but the Department executed the base course from 1.46 to 3.25” thick instead of the approved and designed thickness of 4” which resulted in execution of the work of Rs.131,700 below specification.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

110. Para VI-1: Page 91 – Un-Authorized Payment – Highways Division Sahiwal – Rs.1,093,730

Audit had observed: “Para 2.70 of Buildings and Road Department code prohibits the award of second contract of a work or estimate to one contractor if the first is still in-force

and the sum of contracts exceeds the power of acceptance of the authority concerned. Both the contracts of a work were awarded to one contractor in contravention of the rules. Resultantly, the contractor could not complete the second contract and an extra expenditure of Rs.1,093,730 incurred at his risk and cost was not recovered from him.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

111. Para VI-2: Page 91 – Un-Authorized Payment – Highways Division Khanewal – Rs.157,570

Audit had observed: “An amount of Rs.157,570 was paid to daily labour employed for earth work on berms, pushta work and filling rain cuts but the work done by the labour was not measured in the measurement book to ascertain whether or not the payment was made for actual work done at site. This resulted in an un-authentic payment of Rs.157,570.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

112. Para VI-3: Page 92 – Un-Authorized Payment – Highways Division Khanewal – Rs.423,984

Audit had observed: “The item of sub-base course was measured for 5-1/4 inch thick against the designed thickness of 6 inch provided in the estimate and agreement. Subsequently, the base course was also laid on it. This resulted in an unauthorized payment of Rs.423,984 by accepting the work below specification in February 1989.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

113. Para VI-4: Page 92 – Un-Authorized Payment – Highways Division Sialkot – Rs.8,146,000

Audit had observed: “A work was split into groups without approval of the Chief Engineer and two groups costing Rs.8,146,000 were allotted to one contractor in September

1986 in violation of para 2.70 of Buildings and Roads Department Code.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

114. Para VI-5: Page 92 – Un-Authorized Payment of Rs.112,510

Audit had observed: “An item of work incidental to execution of work was not got executed from the original contractor but allotted to another contractor over and above the ceiling of 15% fixed in the Delegation of Powers for acceptance of tenders. The agreement of Rs.100,000 was unauthorisedly enhanced to Rs.341,773.”

27-2-95: The Department admitted that retaining wall was not provided in the estimates. Audit pointed out that the XEN was not competent to execute the work. Moreover higher rates were allowed to the contractor.

The Public Accounts Committee directed that a Committee consisting of one Member from the Department, one from Finance Department and one from Audit may be appointed to probe into the matter to fix the responsibility for the irregularity. The said Committee should complete its work and submit report to Public Accounts Committee within a month. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

115. Para VI-6: Page 93 – Un-Authorized Payment Rs.9,254,445

Audit had observed: “While sanctioning re-appropriation of funds for restoration of damages of floods of 1988, the Finance Department, Government of the Punjab directed that no expenditure should be incurred without proper approval of the scheme by the Competent Authority and observing codal formalities. Expenditure of Rs.9,254,445 was incurred during 1988-89 on 60 works without approval of the Competent Authority and allocation of funds.”

23-5-95: The Department explained that the expenditure was incurred in emergent requirement/conditions during flood of 1988.

The Public Accounts Committee was not satisfied with the reply of the Department and desired to know the reasons as to why the matter was not finalized earlier and why it was allowed

to linger on. The Department was directed to get the excess expenditure regularized by the Finance Department giving with full justification. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 23 May 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

116 Para VI-7: Page 93 – Un-Authorized Payment – Highways Division Muzaffargarh – Rs.391,600

Audit had observed: “Thickness of base course was measured from 4.75 to 5.25 inch instead of the approved thickness of 6 inch. The acceptance of the thickness of the base course less than the approved designed resulted in an unauthorized payment of Rs.391,600 to a contractor in June 1991.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

117. Para VI-8: Page 94 – Un-Authorized Payment – Highways Division Rahim Yar Khan – Rs.1,722,000

Audit had observed: “According to the Delegation of Powers 1990, a tender was to be accepted by Public Works Officers within 4.5% of the technically sanctioned estimates. Contrary to this, tenders were accepted at 7.10% above the amount of the sanctioned estimates which was beyond their competency. The unauthorized acceptance in June 1990 resulted in an extra expenditure of Rs.1,722,000 to the Government.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

Annexure Paras

Highways Department

1. Para No. 42(XVI)/65-66: Page 196 read with Sr. No.1 of Audit Report for the Year 1990-91; Loss Due to Unserviceable Material-Rs.15,842
2. Para No. 17(a)3(12)/58-59: Page 196 read with Sr. No.2 of Audit Report for the Year 1990-91; Shortage of Store Material – Rs.552,561
3. Para No. 38(V)/67-68: Page 196 read with Sr. No.3 of Audit Report for the Year 1990-91; Excess payment-Rs.7,890
4. Para No. 64(2)/82-83: Page 196 read with Sr. No.4 of Audit Report for the Year 1990-91; Excess Payment-Rs.432,831
5. Para No. 64(5)/82-83: Page 196 read with Sr. No.5 of Audit Report for the Year 1990-91; Excess Payment-Rs.104,395
6. Para No. 42(2)/83-84: Page 196 read with Sr. No.6 of Audit Report for the Year 1990-91; Overpayment-Rs.483,995
7. Para No. 42(3)/83-84: Page 196 read with Sr. No.7 of Audit Report for the Year 1990-91; Overpayment-Rs.209,255
8. Para No. 42(4)/83-84: Page 196 read with Sr. No.8 of Audit Report for the Year 1990-91; Excess Payment-Rs.150,916
9. Para No. 42(20)/83-84: Page 197 read with Sr. No.9 of Audit Report for the Year 1990-91; Excess Payment-Rs.25,871
10. Para No. 44(1)/83-84: Page 197 read with Sr. No.10 of Audit Report for the Year 1990-91; Non-Recovery-Rs.2,102,126
11. Para No. 43(3)/83-84: Page 197 read with Sr. No.11 of Audit Report for the Year 1990-91; Non-Recovery-Rs.124,667
12. Para No. 44(7)/83-84: Page 197 read with Sr. No.12 of Audit Report for the Year 1990-91; Non-Recovery-Rs.40,273
13. Para No. 45(1)/83-84: Page 197 read with Sr. No.13 of Audit Report for the Year 1990-91; Loss to Government-Rs.4,869,554
14. Para No. 47(4)/83-84: Page 197 read with Sr. No.14 of Audit Report for the Year 1990-91; Misappropriation-Rs.44,457

15. Para No. 47(6)/83-84: Page 197 read with Sr. No.15 of Audit Report for the Year 1990-91; Misappropriation-Rs.19,072

16. Para No. 5(91)/83-84: Page 197 read with Sr. No.16 of Audit Report for the Year 1990-91; Infuctious Expenditure-Rs.2,136,265

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, the Audit and the Finance Department. The Paras (Sr. No.1 to 16 above) were **kept pending.**

Cooperatives Department

Overview

Total Paras
2

Abstract

Status	Decision	Para Nos.	Total
Paras Conditionally Settled 2	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	Civil Annexure: 35/71-72, 27/72-73	2

Discussed on 12 June 2002.

Annexure Paras

- 1. Para No.35/1971-72 Page 298 – read with Sr. No.45 of Audit Report for the Year 1989-90; Infructuous Expenditure-Rs.20,718**
- 2. Para No.27/1972-73 Page 298 – read with Sr. No.46 of Audit Report for the Year 1989-90; Misappropriation -Rs.4,979**

12-6-02: The above mentioned 2 paras had already been conditionally settled/dropped by the PAC on 17-12-1979 and 10-3-1980. However, the Committee **settled the paras** with the direction that the Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directives of the PAC.

Education Department

Overview

Total Paras	Civil	Annexure Paras
97	83	14

Abstract

Status	Decision	Para Nos.	Total
27 Paras Finally Settled	Paras finally settled as the requisite action had been taken.	Civil: 4.3, 4.14, 5.3, 5.5, 5.6, 5.7(1), 5.7(2), 5.8, 5.12, 5.14(1), 5.14(2), 5.15, 5.17, 5.19, 5.20, 5.21, 5.22, 5.23, 5.24, 5.25, 5.26, 5.27, 5.30, 5.31, 5.47, 5.48, 5.51.	27
70 Paras Conditionally Settled	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit shall verify the same.	Civil: 4.1, 4.2, 4.4(a), 4.4(b), 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.15, 4.16, 4.17, 4.18, 4.19, 4.20, 4.21, 4.22, 4.23, 4.24, 5.1, 5.2, 5.4, 5.7(3), 5.7(4), 5.9, 5.10, 5.11, 5.13, 5.16, 5.18, 5.28, 5.29, 5.32, 5.33, 5.34, 5.35, 5.36, 5.37, 5.38, 5.39, 5.40, 5.41, 5.42, 5.43, 5.44, 5.45, 5.46, 5.49, 5.50, 5.52, 5.53, 5.54.	56
		Annexure Paras: 26/71-72, 29/71-72, 31/72-73, 1 (i)/77-78, 1(ii)/77-78, 1(5)/77-78, 2(2)/77-78, 12(4)/81-82, 12(5)/81-82, 14/81-82, 13(2)/82-83, 17(2)/82-83, 25 (1)/83-84, 27/83-84	14

Discussed on 19 April 1995, 28 February 1996 and 12-13 June 2002.

Civil Audit

1. Para 4.1: Page 29 – Less Realization of Electricity Charges from Occupants of

Residential Quarters Rs.788,450

Audit had observed: “The Government College of Technology, Sahiwal remained closed from February 1983 to December 1983. Electricity bills of huge amounts were received and paid to WAPDA. Rs.202,262 were payable by the occupants of residential quarters, for the period during which the college remained closed, after deduction of the usual bill of the office @ Rs.2,000 per month. Similarly Rs.586,090 were payable by the residents of residential colony who were supplied electric energy through college meter during the period from July, 1984 to June, 1989. The amount is worked out by audit according to the WAPDA formula, as the rates fixed by college authorities, were far less than the actual cost of consumption as per scheduled rates of WAPDA.”

19-4-95: The electricity to the occupants of residential colony Government Technical College, Sahiwal was being supplied at domestic rates whereas WAPDA was charging on commercial rates. Thus the Department was put to loss as an amount of Rs.788,450 was less realized. The Department explained that sub-meters had been installed in all the quarters and electricity was being supplied through those meters.

The para was kept pending for providing detailed explanation by the Department and detailed scrutiny by the Audit. The Finance Department observed that instead of sub-meters, separate direct meters should be installed.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

2. Para 4.2: Page 29 – Suspected Embezzlement of Rs.298,958

Audit had observed: “Amount aggregating Rs.298,958 was drawn from Government treasury during 1982-86 through contingent bills but neither the amount was taken in the cash book nor accounted for in the contingent register. Relevant vouchers in support of the expenditure were also not produced for audit. Therefore, the said amount appeared to have been embezzled.”

19-4-95: The Department explained that they had checked all the accounts books and it was found that all the amounts were accounted for except Rs.3,300.

The Committee directed that whole record be shown to the Audit for scrutiny and verification. The para was kept pending, for scrutiny by Audit and fixing responsibility for the irregularity.

12-6-02: On consideration of the facts of the case, **the Committee settled the para**

subject to the following direction–

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

3. Para 4.3: Page 29 – Rent of Office Building Paid Without Clearance of Finance Department

Audit had observed: “Govt. Vocational Institute (W), T.T.Singh was housed in a rented building since 1.10.1983 and a sum of Rs.187,300 (@ Rs.1,950 to Rs.2,500 p.m.) had been paid as rent of building. As the monthly rent was in excess of Rs.500, the clearance of Finance Department was required vide note 2 below serial No.V of Delegation of Powers, 1962 which was not obtained.”

19-4-95: The explanation of the Department was accepted and **the para was settled.**

4. Para 4.4(a): Page 30 – Un-Authorised Retention of Government Money Rs.173,313

Audit had observed: “Unspent balance amounting to Rs.135,813 out of the matching grants drawn in lump sum during 1987-88, 88-89 and 1989-90 by the Principal, Government Science College, Samanabad, Faisalabad, was not refunded into the Government treasury. The same were un-authorisedly kept in the students general fund account even after the close of financial years.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

5. Para 4.4(b): Page 30 – Un-Authorised Retention of Government Money Rs.173,313

Audit had observed: “Similarly, a sum of Rs.37,500 left un-utilized out of contingent grants of 1987-88, 88-89 and 1989-90 meant for removal of minor irritants, was irregularly kept in the general fund account. The amount was required to be refunded into Government Treasury after the close of financial years.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter and take disciplinary action, if necessary. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 4.5: Page 30 – Un-Authorized Retention of Government Money Rs.175,820

Audit had observed: “A sum of Rs.181,640 on account of matching grants to be utilized on co-curricular and sports activities as share of Govt., was sanctioned during 1988-89 and 1989-90 for Government Islamia College for Women, Faisalabad. Only Rs.43,655 were utilized for the purpose during the said period. Remaining balance of Rs.137,985, was not refunded into Government treasury at the close of financial year. Similarly another unspent amount of Rs.37,835, out of contingent grant of Rs.40,000 drawn in lump sum during 1988-89, 1989-90 for removal of irritants was also not deposited in the Government account.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall investigate the matter and take disciplinary action, if necessary. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para 4.6: Page 31 –Less Realization of Tuition Fee (Rs.92,830)

Audit had observed: “New tuition fee rates were introduced with effect from September 1984. The Government College of Technology, Sahiwal realized tuition fee at old rates from the students during September 1984 to April, 1985. The difference between the old rates and new rates worked out to Rs.92,830.”

19-4-95: New tuition fee rates were introduced from September, 1984 but the Government College of Technology, Sahiwal realized tuition fee at old rates from the students during September, 1984 to April, 1985. The difference worked out to Rs.92,830. The Department explained that session was extended due to closure of institution in 1981-83. Therefore, old rates were charged from the old students.

The Department was directed to further explain the issue involved for scrutiny by Audit. The para was kept pending.

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

8. Para 4.7: Page 31 – Embezzlement of Rs.93,490

Audit had observed: “(i) A sum of Rs.24,254 received on account of Tuition fee in Government College, Shahkot (Distt. Sheikhpura) during the period from 20 September, 1989 to 16 December 1990 was not deposited in Govt. Treasury. (ii) Further a sum of Rs.69,236 was short in the bank accounts as per balances of cash books of Library security and various other college funds.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

9. Para 4.8: Amount Drawn from Treasury Embezzled by Cashier Rs.88,959

Audit had observed: “(i) In Govt. Degree College for Boys Sadiqabad (R.Y.Khan) an amount of Rs.30,000 was drawn from Treasury on June 25, 1986. Two other amounts of Rs.30,000 and Rs.5,432 were drawn on June 30, 1986. These were drawn for payment to three firms at Lahore for goods supplied. Three Bank drafts for the amounts were prepared on July 2, 1986. Two drafts were subsequently cancelled for Rs.30,000 and Rs.5,432. Payment was made to one firm only and the amount of cancelled drafts was embezzled, which was detected when the firms claimed payment for goods supplied.

(ii) Similarly, in D.E.O. Karor Distt: Layyah’s Office an amount of Rs.53527 was drawn by the Deputy Distt: Education Officer, Karor, Distt: Layyah in June 1987, June 1988, and June 1989. The amount was not taken in cash book on receipt and payment sides. This was detected on comparison of treasury schedule of payments with the cash book. Contingent register was also silent on this matter. The supporting vouchers were also not available.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

10. Para 4.9: Page 32 – Embezzlement of Student Funds Rs.85,316

Audit had observed: “(a) There was a difference of Rs.68,102 in the balance of Bank Pass books and the relevant cash books of funds. Provisions of rule 2.2 of P.F.R. Vol.1 requiring the regular closing of cash books were not observed. This needs reconciliation or recovery from the defaulter.”

“(b) Similarly an amount of Rs.17,214 received from students from August 1989 to

June 1990 on account of Union Fund, Red Cross Fund and Medical Fund, was not deposited into the bank as required under rule 2.7 of P.F.R vol.1.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

11. Para 4.10: Page 32 – Irregular Retention of Unspent Balance of Matching Grant Rs.65,759

Audit had observed: “Unspent amount of Rs.65,759 out of the matching grant of Rs.129,320, sanctioned during 1989-90 (through S.N.E) for utilization for co-curricular & sports activities, was not paid back into the Government treasury after the close of financial year by the Government Municipal Degree College, Faisalabad. It was retained in the general fund.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter and take disciplinary action, if necessary. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para 4.11: Page 33 – Overpayment of Conveyance Allowance Rs.43,790

Audit had observed: “A sum of Rs.43,790 was overpaid on account of conveyance allowance to the officers/officials residing in the colony within the boundary wall of the office which was not admissible in accordance with the existing orders of the Finance Department and further clarified by Audit in November 1988.”

19-4-95: The entire amount was recovered. **The para was settled** subject to verification of record by Audit.

13. Para 4.12: Page 33 – Telephone Expenditure in Excess of the Prescribed Limit (Rs.25,440)

Audit had observed: “It was provided in Govt. of Punjab, Finance Department letter No. SO(p.w.i)-2-1-tele/82-pro., dated 10.7.1988 that the Principal of a Commercial Training Institute was entitled to 400 free calls in a month, because the Commercial Training Institute had no public attachment, where frequent calls are needed.

Violating the above instructions the Principal of Training Institute, Khanewal, drew and paid telephone bills during 1984-85, 1985-86 and 1986-87 in excess of the prescribed limit amounting to Rs.25,440.”

19-4-95: The Department explained that the Principal was also the Project Director of three institutions in addition to his own institution. Moreover, the telephone in question was office telephone and not residential telephone. As the officer was not entitled to the residential telephone. Subject to verification by Audit **the para was settled.**

14. Para 4.13: Page 13 – Overpayment on Account of House Rent Allowance-Recovery of Rs.23,675

Audit had observed: “During 1989-90, the Principal, Govt. Girls College, Karkhana Bazar, Faisalabad had been drawing house rent allowance inspite of the fact that she was provided Govt. accommodation in the college campus. After assessment of rent by P.W.D, she was paying the assessed rent, which is against the instructions of the Finance Department contained in their letter No.SR1-912/83, dated 25-2-1987 under which assessed rent can be paid only in case where accommodation consists of one room.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

15. Para 4.14: Page 34 –Drawal of House Rent Allowance Without Entitlement

Audit had observed: “Principal, Govt. Vocational Institute (W), T.T.Singh has been residing within the premises of the Institute since 1.10.1985 and drawing house rent allowance. According to Govt. Instructions house rent allowance was not admissible to the officials provided Govt. accommodation or enjoying the facility of office-cum residence. Deduction of house rent @ 5% of pay was also not made. The amount of Rs.21,495 irregularly drawn as house rent allowance and Rs. 3,928 on account of house rent was, therefore, recoverable from her.”

19-4-95: Allegedly the Principal Government Vocational Institute for Women, T.T. Singh, had been residing in the premises of the institute and also drawing house rent allowance in contravention of the rules. The Department categorically stated that there was no residential accommodation available within the premises of the Institute till 1990. Explanation of the Department was accepted and **the para was settled.**

16. Para 4.15: Page 35 – Embezzlement of Tuition Fee Rs.22,340

Audit had observed: “The amount of Rs.22,340 collected from students on account of tuition fee during the period November, 1989 to June, 1990, was not deposited into Govt. treasury as required under rule 2.7 of P.F.R. Vol.I.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

17. Para 4.16: Page 35 – Irregular Deposit of Late Admission Fee into College Fine Fund Rs.21,530

Audit had observed: “During August, 1989, June/July, 1990 a sum of Rs.21,530 was realized from students on account of late admission fee because they failed to deposit admission fee within the prescribed limit of time. Being a part of admission fee it was required to be deposited into the Government account but the principal, Government Municipal Degree College, Faisalabad credited the same into the college fine fund.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

18. Para 4.17: Page 35 – Recovery on Account of Inter-Com Sets Rs.16,040

Audit had observed: “The Director of Education (C) Multan, ordered purchase of 20 sets of inter-com, with power supply, during the year 1986-87, at a cost of Rs.45,833. Full Payment was made to the supplier, only 13 sets inter-com, were received and the remaining 7 sets of inter-com valuing Rs.16,040 were not received from the firm, inspite of lapse of more than two years.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

19. Para 4.18: Page 36 – Library Security Funds Misappropriated Rs.13,770

Audit had observed: “The pass book of the library security fund was compared with the cash book of Govt. M.C. Degree College Mian Channu. According to the cash book, the balance of cash available upto May, 1987 was Rs.50,053 whereas the bank pass book showed a balance of Rs.36,274. Thus, the pass book showed a less balance of Rs.13,774 in the bank.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

20. Para 4.19: Page 36 – Recovery of Irregular Payment of Washing and Dress Allowance– Rs.10,837

Audit had observed: “A sum of Rs.10,837 was paid as Washing and Dress allowance to shop attendants which was not admissible to them. As per Finance Deptt. Notification No.SOR-IV/SA (Uniform) dated 27-11-1982, class-iv employees, such as Naib Qasid, Farrash, Chowkidar and Sweeper are entitled to these allowances.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

21. Para 4.20: Page 36 – Non Production of Record– Rs.1,137,571

Audit had observed: “A sum of Rs.1,137,571, was drawn on account of students scholarship during the financial years 1988-89. 1989-90 acknowledgements of the recipients were not produced to audit inspite of the verbal and written requests.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

22. Para 4.21: Page 37 – Irregular Retention of Government Money Rs.126,000

Audit had observed: “Unspent balance of matching grant and contingent grant for disposal of Principal Govt. College, Dhobi Ghat, Faisalabad during 1988-89 and 1989-90 were not deposited into Government treasury at the close of each financial year. The drawal of money not required for immediate disbursement was a violation of rules 2.10(b) (5) and 17.19 of the Punjab Financial Rule, Vol.1 while its undue retention was violation of rule 9(1) of the Punjab Treasury Rules. “

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall investigate the matter and take disciplinary action, if necessary. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

23. Para 4.22: Page 37 – Suspected Misappropriation of Rs.20,975

Audit had observed: “In a Govt. College at Faisalabad a sum of Rs.20,975 was drawn for the purchase of 25 horse power motor and a pump during June, 1990. The quotations were not obtained by post from 3 firms and the 3 firms which gave their offers were found to have not been dealing with equipments of the sort. During physical check, the motor and pump was not found installed any where with no stock entry on record. It is evident that no such purchase was made by the authorities and the amount was misappropriated.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

24. Para 4.23: Page 38 – Misappropriation of Government Money Rs.14,760

Audit had observed: “A canteen in Govt. College, Bhakkar catering to the needs of students was being run by contractors during the period of 1982-90. These contractors were paying monthly rent @ Rs.205 p.m. During audit it was noticed that the amount, of Rs.14,760 collected as rent for the period was not deposited into Govt. treasury leading to doubts that it had been misappropriated.

Audit would suggest that:-

- i) the amount be recovered and deposited into Govt. account.
- ii) Disciplinary action be taken against officials responsible for withholding

Govt. money.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

25. Para 4.24: Page 38 – Non-Deduction of Income Tax Rs.7,425

Audit had observed: “A sum of Rs.7,425 on account of income tax due from the firms whose supplies exceeded Rs.50,000 during a financial year was not recovered.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

26. Para 5.1: Page 39 –Non-Maintenance of Record of Furniture

Audit had observed: “An amount of Rs.37,996,000 was drawn by D.P.I (Schools), Punjab, Lahore as advance during the month of June, 1989 for the procurement of furniture. The amount was paid to for the procurement of furniture. The amount was paid to M/S Wood Working Centre, Gujrat through bank draft. The Department was required to make advance payment of the cost of furniture only and not the transportation charges amounting to Rs.2,437,787. The drawing officer was required to submit adjusting account within one month of its drawal/disbursement in accordance with para 3 of the sanction for advance drawal which was not done properly. The Department withdrew the amounts but did not watch the huge expenditure. They neither maintained the stocks to different schools.”

28-2-96: The Department explained that the record was available.

The PAC directed that lists showing quantity and cost of furniture supplied to Schools may be supplied to Audit who will make test check and offer their comments to the PAC within three months. The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 28 February 1996, **the Committee settled the para subject to the following direction–**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance

Department and the Assembly Secretariat by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

27. Para 5.2: Page 39 – Record Not Produced for Verification of Expenditure of Rs.2,524,612

Audit had observed: “A sum of Rs.2,524,612 was drawn by the Assistant Education Officer (Male), Shakargarh during June, 1986 and June 1987 but the relevant record showing expenditure duly supported by vouchers etc. was not produced to audit for scrutiny.”

28-2-96: The Audit had pointed out that a sum of Rs.2,524,612/16 was drawn by AEO (M) Shakargarh during June, 1986 & June 1987, but the relevant record showing expenditure duly supported by vouchers etc., was not produced to Audit for scrutiny. The Department explained that the concerned AEO, despite best efforts, produced incomplete record. He was therefore, proceeded against under E & D rules and was compulsory retired vide order dated 9.4.1994.

The Committee was not satisfied with the action taken by the Department for possible misappropriation of a huge sum, and directed that a criminal case may be got registered with the Anti-Corruption Department. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

28. Para 5.3: Page 39 – Un-Authorized Opening of Bank Account

Audit had observed: “Rule 9(1) of sub-treasury rules, Punjab requires that a government servant may not, except with the special permission of the Govt. deposit in a commercial bank money withdrawn from the consolidated funds or the public accounts of the province. The Government of the Punjab, Finance Department further clarified vide letter No. FD(FR)v-6/25, dated 29.10.1978 that in no case the government money coming in the hands of a government servant either on account of receipt or withdrawal from the government treasury should be kept in a commercial bank except with the specific sanction of the Finance Department. Contravening the above instructions, the Deputy District Education Officer (Male), Kabirwala drew amounts of Rs. 11,64,000 and Rs.484,000 during the financial year 1987-88 and 1988-89 respectively opened an account with account No.0314. The entire amount drawn from government treasury was first deposited in the said bank and then payments were made through cheques issued by the Drawing and Disbursing Officer.”

28-2-96: The explanation of the Department was accepted and **the para was settled.**

29. Para 5.4: Page 40 – Record of Stores Worth Rs.1,041,570 Not Produced

Audit had observed: “Store/stock articles worth Rs.1,041,570 were purchased by the District Education Officer, D.G.Khan for further distribution among different schools/offices. The purchases were made during June, 1988, Feb.1989 and June, 1989. The stock registers of schools/offices to whom the store articles were issued were not produced for verification.”

28-2-96: The Department explained that the record was available.

The PAC directed that lists showing quantity and cost of furniture supplied to Schools may be supplied to Audit who will make test check and offer their comments to PAC within three months. The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 28 February 1996, the Committee settled the para subject to the following direction–

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

30. Para 5.5: Page 40 – Irregular Purchase of Store Articles-Rs.674,880

Audit had observed: “An expenditure of Rs.674,880 was incurred by the District Education Officer (W), Sheikhpura in connection with the purchase of furniture and stationery articles as.... The purchases were made by collecting three quotations from local market whereas open tenders should have been invited in accordance with the provisions of rule 15.2 of PFR Vol.I.”

28-2-96: The Department explained that the purchases were made through the District Purchase Committee who invited quotations. The open competition was not observed. Now the Department was trying to form the purchase committees consisting of Head Master concerned and Local Public Representative.

The PAC observed that while making the said purchases the Department did not observe the necessary codal formalities. In future such practice should not be repeated.

With this observation, **the para was settled.**

31. Para 5.6: Page 41 – Irregular Expenditure of Rs.301,472

Audit had observed: “An amount of Rs.301,472 was drawn on 24.6.1987 by the Principal Higher Secondary School, Jand District Attock in anticipation of receipt of material and deposited in P.L.S. Account No.2827 maintained with M.C.B. Jand. Moreover, some items had been purchased at higher rates ignoring the lowest quotations resulting in excess expenditure of Rs.7,966 and material worth Rs.10,264 had not been received till the completion of audit. Some articles had been purchased on the basis of single quotation.

In accordance with the provision of rules and orders on the subject no amount could be drawn from the treasury before the receipt of purchased material and purchases should have been made at the most economical rates.”

28-2-96: The explanation of the Department was accepted and **the para was settled.**

32. Para 5.7(1): Page 41 – Overpayment of TA/DA Rs.155,408

Audit had observed: “In these four Districts the education officers/officials under the Education Department were overpaid TA/DA amounting to Rs.155,408 during the period 1985-86 to 1988-89. The overpayment occurred by allowing either excess mileage or daily allowance to officials to whom it was not admissible.”

28-2-96: The recovery of Rs.4,483/72 had been verified by Audit; and the explanation of the Department with regard to the balance was accepted. **The para was settled.**

33. Para 5.7(2): Page 41 – Overpayment of TA/DA-Rs.155,408

For Audit observation, *see* Sr.No.32 above.

28-2-96: The para was a repetition of para No.5-3-2 of the Audit Report for the year 1989-90 which had already been settled by the PAC-I. Therefore, **the para was settled.**

34. Para 5.7(3): Page 42 – Overpayment of TA/DA Rs.155,408

For Audit observation, *see* Sr.No.32 above.

28-2-96: The **para was settled subject to verification of recovery by Audit.**

35. Para 5.7(4): Page 42 – Overpayment of TA/DA-Rs.155,408

For Audit observation, *see* Sr.No.32 above.

28-2-96: The Department was directed to recover the overpaid amount of TA/DA from the officers/officials concerned. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 28 February 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

36. Para 5.8: Page 42 – Irregular Purchase of Science Material-Rs.143,000

Audit had observed: “The Principal, Government Higher Secondary School incurred an expenditure of Rs.143,000 on the purchase of science equipment.”

28-2-96: The explanation of the Department was accepted and **the para was settled.**

37. Para 5.9: Page 42 – Non-Deposit of Tuition Fee Rs.116,864

Audit had observed: “Tuition fee amounting to Rs.116,864 collected by the Assistant Education Officers from various Middle and Primary schools was not deposited into Govt. Treasury and was

embezzled.”

28-2-96: The Department explained that the amount had been deposited with the Government. **The para was settled** subject to verification of relevant record by Audit.

38. Para 5.10: Page 43 – Tuition Fee Realized But Not Paid into Government Treasury-Rs.104,338

Audit had observed: “The Principal Govt. Higher Secondary School, Bhara realized Rs.104,338 on account of tuition fee during the period 1987-90. Proof of deposit of this amount in Government treasury such as original challan forms or audit verification certificate from Distt. Accounts Officer were not produced to audit leading to apprehensions that the amount had been embezzled.”

28-2-96: It was stated by the Department that the matter was investigated and it was found that an amount of Rs.34,108 was embezzled for which a case was registered against the accused who was being trialed in court of law.

The PAC observed that the court case might be pursued and fate of the remaining amount of Rs.70,319 should also be decided under intimation to PAC. The PAC also directed that Department should issue instructions to all the D.D.O’s that they should not release the payment of officials collecting fee without certificate from them that they had deposited the collection into Government Treasury. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 28 February 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

39. Para 5.11: Page 43 – Embezzlement of Rs.96,620 Through Pay Bill of the Staff

Audit had observed: “The cashier of Govt. High School for Boys Pakpattan, embezzled the amount of Rs.96,620/- during the period from June, 1981 to June, 1990 through pay bills of the school teacher. The modus operandi was–

- 1) Excess pay was claimed than the pay actually admissible according to the entries in the service books.
- 2) House rent allowance of teachers was actually drawn, but not disbursed to the payees.
- 3) Correct totals were not written in the abstract of the bill.
- 4) Names of certain teachers were struck off from the pay bills after getting those passed from the Distt. Account Office.”

28-2-96: The Department explained that actual amount of the para was Rs.96,203 and not Rs.96,620. The whole amount of Rs.96,203 had been recovered. The disciplinary action had been taken against the defaulting official and his annual increment was stopped.

The PAC was not satisfied and observed that D.D.O was equally responsible for the said temporary embezzlement and should be proceeded against under E & D Rules. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 28 February 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

40. Para 5.12: Page 44 – Local Purchase of Rs.89,500 Beyond Competence

Audit had observed: “The District Education Officer, D.G.Khan violating the powers delegated to him vide Item No. 2(b)(xii) of Delegation of Powers Rules 1962, made local purchase of typewriters for Rs.75,000 and a photo copier for Rs.14,500 during the period July, 1987 to June, 1989 although the items were not specifically shown in detail in the budget.”

28-2-96: The explanation of the Department was accepted and **the para was settled.**

41. Para 5.13: Page 44 – Embezzlement of Fee and Salaries Amount Rs.87,510

Audit had observed: “The Assistant Education Officer (W), Sahiwal did not deposit the entire amount of fee realized from students during September, 1987, April, 1988 and June, 1988. The amount collected was Rs.32,875 where as the amount deposited into Govt. account was Rs.1875. Thus a sum of Rs.31,000 was less deposited. Similarly, the amount of Rs.56,510 drawn from Distt. Accounts Office during November, 1987 and December, 1987 was not disbursed to the payees and was embezzled.”

28-2-96: It was stated by the Department that the embezzled amount is being recovered from the defaulting official.

The PAC was not satisfied and directed the Department to suspend him and get an FIR lodged against the defaulting official besides making recovery from him. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 28 February 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

42. Para 5.14(1): Page 44 – Record not Produced

Audit had observed: “The Headmaster, Govt. High Schools for Boys, Murghai, District Rajanpur drew two amounts of Rs.11,000 and Rs.22,000 for the purchase of furniture and store articles during the months of June, 1987 and June, 1988 respectively. The office copies of contingent bills, vouchers, actual payee receipts and stock registers were not produced to audit.”

28-2-96: The record had been verified by Audit. **The para was settled.**

43. Para 5.14(2): Page 45 – Record not Produced

For Audit observation, *see* Sr.No.42 above.

28-2-96: The record had been verified by Audit. **The para was settled.**

44. Para 5.15: Page 45 – Fraudulent Payment of Rs.80,190

Audit had observed: “A sum of Rs.80,190 was fraudulently drawn by the Headmistress Govt. High School, Chak No. 199/RB, Faisalabad during September, 1988 to July, 1989. The original record was not produced to audit on the plea that the same was with Anticorruption Department.”

28-2-96: As the recovery had been verified by Audit, **the para was settled.**

45. Para 5.16: Page 45 – Doubtful Purchase of Store Articles-Rs.50,000

Audit had observed: “Six Primary Schools including Girls Primary School 198/Murad, were upgraded to Middle standard during the year 1987-88. The Deputy Distt. Education Officer (M), Hasilpur, Distt. Bahawalpur purchased store articles for Rs.50,000 for Girls Primary School, 198/Murad which was upgraded to Middle Standard as mentioned above. The store articles were not issued to the said school.”

28-2-96: The Department explained that Director (E) Education Bahawalpur personally checked the said store articles purchased by the DEO (M) Hasilpur and the store articles were physically available.

The PAC was not satisfied and observed that articles were purchased in 1987. Inspection by Audit was conducted in 11/89 but the articles were not available. Even in 1990 these articles were not available. Prima facie the misappropriation was there and therefore, the person who made the purchases may be proceeded against for recovery of Rs.50,000. The para was kept pending for departmental action and recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 28 February

1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

46. Para 5.17: Page 46 – Overpayment of Rs.46,254 Due to Irregular Grant of Increment

Audit had observed: “An untrained teacher of a primary school under the control of Deputy D.E.O (M), Gojra, District T.T.Singh was allowed regular increments since 4.1.1973. The teacher, being untrained, was not entitled to any increments till he passed the requisite examination. The amount of Rs.46,254 was drawn in excess on account of increments during the period 4.1.1973 to 31.1.1991.”

28-2-96: The explanation of the Department was accepted and **the para was settled.**

47. Para 5.18: Page 46– Shortage of Science Articles-Rs.43,207

Audit had observed: “Physical verification of stock articles of the science Department of the Government Islamia Higher Secondary School, Rajana, Distt. T.T.Sing revealed that various science articles worth Rs.43,207 were short.”

28-2-96: The Department explained that a case for the shortage of material was registered with the police and being investigated by the police.

The PAC directed that defaulting official may be proceeded against for departmental action. Recovery of loss of Rs.43,207 should also be effected from him. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 28 February 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

48. Para 5.19: Page 46 – Suspected Embezzlement of tuition Fee-Rs.42,340

Audit had observed: “During audit of the accounts of Headmistress, Govt. Girls High School it was noticed that no entry existed in the cash book for the period 7/80 to 8/84 regarding the receipt of deposit of tuition fee into Government treasury, nor was the fee collection register for this period produced to audit.”

28-2-96: As the compliance had been verified by Audit, **the para was settled.**

49. Para 5.20: Page 47 – Purchase of Scientific Equipment Valuing Rs.40,000 Without Any Requirement

Audit had observed: “Biology science material worth Rs.30,000 and Rs.10,000 was

purchased during January, 1983 and March, 1988 respectively without immediate requirement because neither any science teacher was posted nor science class started in the school. The expenditure was incurred to avoid lapse of budget in contravention of note 1&2 below rule 2.15 of PFR Vol-I.”

28-2-96: The explanation of the Department was accepted and **the para was settled.**
50. Para 5.21: Page 47 – Excess Expenditure of Rs.36,104 Due to Accepting Higher Tendered Rates

Audit had observed: “Purchases were made at higher rates ignoring the lowest tendered rates by the Deputy District Education Officer (M), Kharian, District Gujrat which resulted in excess expenditure of Rs.36,104. The purchases should have been made at the most economical and competitive rates in accordance with the provision of P.F.R. Vol-I. It was stated by the office that the lowest quotations were not accepted as the call deposit receipts produced by the tenderers were not issued by the Punjab Bank. The contention of the Department is not tenable in as much as no ban was imposed by the Government regarding non-acceptance of call deposits from scheduled banks.”

28-2-96: As the compliance had been verified by Audit, **the para was settled.**

51. Para 5.22: Page 48 – Infructuous Expenditure of Government Money Rs.31,500

Audit had observed: “Science articles were purchased during June 1983 to May 1989 for Rs.31,500 without there being any science student or science teacher in Govt. Girls High School Rasulpur District Rajanpur causing infructuous expenditure of government money.”

28-2-96: The explanation of the Department was accepted and **the para was settled.**

52. Para 5.23: Page 48 – Un-Authorized Expenditure Incurred on the Purchase of 3 Seater Desks Rs.30,000

Audit had observed: “The Headmistress, Government Girls High School 135/16-L, Khanewal incurred expenditure of Rs.30,000 on the purchase of desks without observing the codal formalities and the same was not admitted on the grounds that:-

i) The Headmistress was not competent to incur the expenditure under the delegation of powers rules, 1962.

ii) The desks were not entered in the stock register as required under rule 15.4 of PFR. Vol.II.

iii) The transaction was not noted in the cash book in violation of rule 2.2 of PFR. Vol. I.

- iv) Payment to the supplier was not verified by the Drawing and Disbursing Officer.
- v) The stock was not examined by the inspection team before making payment to the supplier as required under rule 15.4 of P.F.R. Vol.I.”

28-2-96: The explanation of the Department was accepted and **the para was settled.**

53. Para 5.24: Page 49 – Misappropriation of Cash Rs.27,687

Audit had observed: “There was a cash balance of Rs.27,687 as verified by the then Audit Officer during physical verification of cash on 3.10.1989 in the cash book of Deputy District Education Officer (M), Shahpur Sadar, Sargodha. The amount was later on incorrectly shown as disbursed to the supervisors on account of their salary even though the supervisors had already been paid on 1.10.1989. Moreover no entry of payment of Rs.27,687 was recorded in the payment register. Thus amount of Rs.27,687 was embezzled by showing double payment to the supervisors during October 1989 in the cash book.”

28-2-96: As the compliance had been verified by Audit, **the para was settled.**

54. Para 5.25: Page 49 – Purchase of English Key Board Typewriters Without N.O.C. from S & GAD

Audit had observed: “In the instructions of the education department contained in S&GAD Memo No.S&GAD/Urdu 6/80, dated 6.6.1982, a ban was imposed on the purchase of English Key Board typewriters except with the approval of S&GAD. Contravening the above instructions, Deputy District Education Officer (M), Shujabad (Multan) purchased 5 English Key Board typewriters for Rs. 23,560 without prior approval of S&GAD.

28-2-96: The explanation of the Department was accepted and **the para was settled.**

55. Para 5.26: Page 49 – Un-Authorized Drawal of House Rent Allowance Rs.24,717

Audit had observed: “A Secondary School teacher working in Govt. High School Shorkot Cantt. was residing in a Govt. hired accommodation even on his transfer from Shorkot in December 1987. However, during the entire period he did not pay 5% of his pay as house rent but also drew house rent allowance after his transfer from Shorkot for the period December 1987 to August 1989. The total amount thus overpaid to him worked out to Rs.24,717. Matter was reported to the administrative department during April 1991 but no reply was received.”

28-2-96: The Department explained that the entire amount of the para had been recovered and got verified by Audit. **The para was settled.**

56. Para 5.27: Page 50 – Tuition Fee Realized But Not Deposited into Government Treasury Rs.14,382

Audit had observed: "Tuition fee for the month of July, August, 1990 was realized in May, 1990 due to summer vacations by various primary and middle schools under Deputy D.E.O.(M) Shahpur Sadar but was not deposited into the Government Treasury on the plea that the same had been discontinued by Government with effect from 1.7.1990. The amount of Rs.14,382 was embezzled."

28-2-96: The recovery had been verified by Audit and **the para was settled.**

57. Para 5.28: Page 50 – Embezzlement of Rs.14,611.

Audit had observed: "Tuition fee amounting to Rs.14,611 realized from students of various primary schools for the months of 5,6,7 and 8/90 was not deposited into Government treasury and was embezzled."

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

58. Para 5.29: Page 29 – Continuance in Govt. Service Beyond Superannuation.

Audit had observed: "A class-iv employee, in the office of Deputy District Education Officer (Male), Karor District Layyah was allowed to continue in service after superannuation. According to the medical certificate issued by M-S. District Headquarter Hospital, the date of birth of the employee was 16.2.1929. He was therefore to superannuate on 16-2-1989. On audit observation, the office stated that it was a clerical mistake. The employee had been paid salary and allowances to the extent of Rs.12,390 after the date of superannuation."

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

59. Para 5.30: Page 51 – Excessive Expenditure on Residential Telephone Rs.10,380

Audit had observed: "A sum of Rs.10,380 was paid out of Government funds during 6/82 to 3/89 by the Director of Education (Schools), Sargodha Division Sargodha for telephone calls made in excess of his entitlement from his residential telephone. Under F.D. letter No. F.D. (PW-II)2-1/tele/S.2 (Prov1), dated 10.7.1988 the officer was entitled to 500 local calls upto 30.6.1988 and 600 calls with effect from

1.7.1988.”

28-2-96: The recovery had been verified by Audit. **The para was settled.**

60. Para 5.31: Page 52 – Fictitious Purchase of Relief Maps

Audit had observed: “The Deputy Education Officer (M), Kot Adu, drew Rs.7.058 during June 1989 from the purchase of Relief Maps from a firm at Lahore. No material was received and taken on stock. The office managed to get the bills passed by giving a bogus certificate regarding receipt of material and its entry in stock registers. The amount was shown as paid, but the actual payee receipts were not shown.”

28-2-96: Stock entries had been verified by Audit. **The para was settled.**

61. Para 5.32: Page 52 – Non-Deposit of Tuition Fee Realized from Students-Rs.5,230.

Audit had observed: “The Headmaster, Government Middle School, Gabbar Arrain realized tuition fee from students during April, 1985 to May, 1986, but did not deposit it in Govt. treasury in violation of rule 4.1 of P.F.R Vol.I.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

62. Para 5.33: Page 52 – Double Expenditure of Rs.248,910

Audit had observed: “In the office of the Deputy Distt. Education Officer (M), Wazirabad, Rs.248,910 were shown disbursed in cash book on 20.5.90 to a supplier being cost of stationery etc. It was observed that seven bills aggregating to the stated sum were encashed from National Bank of Pakistan after getting these passed from the Distt. Accounts Officer, Gujranwala and the amount was deposited in an unauthorized bank account No.1055-2 of the same bank. In order to substantiate payment and in proof of disbursement, the relevant record viz. paid vouchers, sanction of expenditure, actual payee’s receipts, stock registers showing stock entries, bank pass book and cheque books were not shown to the audit team for verification. The matter may be investigated and loss if any made good.”

28-2-96: The Department explained that concerned officer had since expired. The PAC directed the Department to move a write off case to the Finance Department for the write off sanction of the amount involved. The para was kept pending for write off sanction by the Finance Department.

12-6-02: On consideration of the facts of the case, **the Committee settled the para**

subject to the following direction–

The Department shall implement the directive of the PAC dated 28 February 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

63. Para 5.34: Irregular Payment of House Rent Allowance Rs.240,898.

Audit had observed: “During 1985-90 heads of various educational institutions, Distt. Layyah had been irregularly drawing house rent allowance amounting to Rs.240,898 to which they were not entitled as they were either provided with rent free accommodation but were not residing therein simply to draw the house rent allowance or they were actually residing in the Government accommodation and had been drawing house rent allowance on the production of bogus certificate to the District Accounts Officer, Layyah.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

64. Para 5.35: Page 53 – Irregular Purchase of Store Articles Worth Rs.207,959

Audit had observed: “Principal Government Higher Secondary School, Bhara purchased science equipment, furniture and fixture worth Rs.207,959. The purchase appeared to be doubtful on the following grounds:-

- i) Open tenders were not called;
- ii) Comparative statement was not shown to audit.
- iii) Most of the quotations were undated.
- iv) Higher rates were accepted without giving any cogent reasons.
- v) Stock registers were not shown to audit.
- vi) Physical verification not carried out.”

28-2-96: The Department explained that purchase of the store was made after observing all the relevant codal formalities.

The PAC was not satisfied and observed that purchases were made during 1988-89. Audit was conducted in 10/90 and record was shown to Audit in 1996. The record shown to Audit was missing the following requirements:-

- i) previous balance of articles was not brought forward in the new register.
- ii) the requisition from the indenters was not on record.

iii) after issuing the articles, balance of the remaining articles was not recorded in the register.

From the above it was evident that matter was doubtful. As such the Department was directed to hold an independent enquiry into the purchase mentioned in the para. The para was kept pending.

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

65. Para 5.36: Page 54 – Irregular Purchase of Science Material-Rs.192,482

Audit had observed: “An expenditure of Rs.192,482 was incurred by the Principal, Government Higher Secondary School, 40-SB, Distt. Sargodha, on the purchase of science material during October 1990. The purchases were irregular as:-

i) Comparative statement was not signed/approved by the Chairman/Purchase Committee Members.

ii) Rates offered had been changed/alterd through over-writing/cuttings such as rate of almirahs was changed from Rs.1,505 to Rs.1,645 etc.

iii) Sanction was not obtained from the competent authority as Director of Education was competent to accord sanction only upto Rs.50,000 under S.No.1 Part-II Special Powers to Education Department contained in Delegation of Powers Rules, 1962.”

28-2-96: The para was settled subject to verification of original record by Audit.

66. Para 5.37: Page 54 – Misappropriation of Store Articles Worth Rs.191,255

Audit had observed: “In the office of Deputy D.E.O, Wazirabad, store articles worth Rs.191,254 were stated to have been supplied to High, Middle Masjid Maktab and Primary Schools. The stores were neither acknowledged as having been received by the schools nor were they found entered in their stock register.”

28-2-96: The Department explained that necessary entries of the store articles had been made in the Stock Register.

The Department was directed to produce the Stock Register to Audit for verification within one month. The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 28 February 1996, **the Committee settled the para subject to the following direction–**

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

67. Para 5.38: Page 55 – Non Production of Record

Audit had observed: “A sum of Rs.163,440 relating to A.D.P. Grant was drawn by the Deputy D.E. O. (M), Kalurkot Bhakkar on 29.6.1989 but the relevant record was not produced to Audit for inspection.”

28-2-96: The para was settled, subject to verification of record within one month.

68. Para 5.39: Page 55 – Non-Accountal of Store & Stock-Rs.124,578

Audit had observed: “Deputy Distt. Education officer (W), Gujranwala supplied stationery and store articles worth Rs.124,578 to three A.E.Os (W) under her administrative control during 1988-89 & 1989-90 (as detailed in the original para) for distribution amongst the primary and middle schools under their respective control. It was however, noticed during audit that the articles were neither entered any where in stock registers nor were found distributed amongst the schools.”

28-2-96: The Department explained that record regarding store articles worth Rs.17,218 had been got verified by Audit. The record of remaining store articles was not available.

The PAC directed that cost of the remaining store articles may be recovered from the officers concerned. An F.I.R may also be lodged. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 28 February 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

69. Para 5.40: Page 55 – Non-Deposit of Tuition Fee Amounting to Rs.84,609

Audit had observed: “An amount of Rs.84,609 received on account of tuition fee during the period October, 1987 to June, 1990 was not deposited or was short deposited into Government Treasury.”

28-2-96: The Department explained that an amount of Rs.59,000 had been recovered leaving a balance of Rs.24,688.

The para was kept pending for the balance recovery, within one month.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 28 February 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

70. Para 5.41: Page 56 – Unauthorized Opening of Current Account With Commercial Bank Rs.63,108.

Audit had observed: “The Principal, Government Higher Secondary School for Girls, Gakhar opened a current bank account No.703 with National Bank of Pakistan. The transactions in the account were kept outside the cash book of the school and no particulars regarding the receipt or disbursements were produced to audit. The action of D.D.O was against rule 7.1 of Punjab Treasury Rules. The sanction of competent authority was not obtained to open the account.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

71. Para 5.42: Page 56 – Irregular Expenditure on Purchase of MAPs Worth Rs.37,000.

Audit had observed: “District Education Officer (M), Sargodha invited quotations for supply of maps from firms situated at Lahore on 27.6.89. These quotations were recorded as received next day, i.e.28.6.89. The bill to draw the amount was also presented the same day. Hence there is reason to believe that purchase was made by collecting quotations from selected firm. The expenditure was also not in the competency of D.E.O who sanctioned it. Maps were also not taken on stocks and shown to Audit Party. Hence possibility of embezzlement cannot be ruled out.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

72. Para 5.43: Page 57 – Doubtful Expenditure of Rs.34,480.

Audit had observed: “The Principal Government Girls Pilot Secondary School, Sargodha, purchased sports material worth Rs.34,480 during 1986-90 from M/S Gymkhana Sports, Azad Road, Sargodha. The articles purchased were neither taken on stock nor were found lying in the store. It was also not understood why cricket balls were purchased for a Girls School. Articles were shown as consumed but no demand slip/detail or authority was shown to Audit. Apparently the amount was misappropriated.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

73. Para 5.44: Page 57 – Non-accountal of Stock/misappropriation of Rs.32,633

Audit had observed: “In various middle schools under the administrative control of Deputy Distt. Education Office (M), Phalia Rs.32,633 were drawn from various school funds during the period 1988-90 for the purchase of stores articles. During audit in most of the cases stock registers were not produced and, where produced, entries regarding the stores purchased were not found recorded therein. There was therefore, sufficient ground to apprehend that the amount in question might have been embezzled or the stores purchased misappropriated.”

28-2-96: The Department explained that all the record containing the accountal of store/stock was available and could be verified.

The Department was directed to get the record verified by Audit within one month. The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 28 February 1996, the Committee settled the para subject to the following direction–

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

74. Para 5.45: Page 57 – Irregular Expenditure of Rs.29,700.

Audit had observed: “During 1987-88 an expenditure of Rs.29,700 was incurred on the purchase of 60 desks by the Headmistress, Govt. Girls High School Chak No.86-SB, Sargodha. The purchase was irregular/doubtful on the grounds that:-

- i) In contravention of Rule 15.2 of PFR Vol.I, the quotations were not obtained from the market.

ii) Purchase was made at very high rate of Rs.495 per desk as same kind of desks were purchased by the Government High School Chak No.113 N.B at Rs.409 per desk. An excess payment of Rs.5160 ($495-409 = 86 \times 60$) was made.

iii) Surprisingly the said amount was not found entered in the cash book (drawn vide T.No.707, dated 25.7.1987).

iv) No desk was available in the school.

In reply to the preliminary observation the authorities stated that the quotations could not be obtained due to the shortage of time and that the desks were shifted to Government High School Dodha. The explanation was not tenable.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

75. Para 5.46: Page 58 – Embezzlement of Rs.24,475

Audit had observed: “In various middle schools under the administrative control of the Deputy D.E.O (M), Phalia an amount totaling Rs.24,457 was drawn from various school funds and shown as paid to Deputy D.E.O as a loan. However, a scrutiny of the cash book of Deputy D.E.O did not contain any such entry. Audit apprehends that the amount of Rs.24,457 has been embezzled.”

28-2-96: The Department explained that an amount of Rs.13,200 had been refunded to the School Fund. The Committee was not satisfied with the explanation and directed that the DDEO (M) who drew unauthorized loan from the various school funds may be proceeded against. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 28 February 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

76. Para 5.47: Page 58 – Suspected Embezzlement of Rs.19,650

Audit had observed: “In the office of Deputy District Education Officer (M), Phalia sums

aggregating Rs.256,913 were drawn on 30.6.1990 for payment to suppliers of articles purchased for up gradation of schools. Audit has the following comments to offer on his drawal:

i) The amount was shown in hand in the cash book and continued to be disbursed upto 9/90. This shows that the amount was drawn in advance to avoid lapse of funds at the close of financial year. This was in violation of the provisions of Punjab Financial Rules.

ii) The balance of this amount carried forward to page 85 of the cash book on 13.9.1990 was Rs.78,156 but no opening balance was carried forward to receipt side (page 86) of the cash book. Only a payment of Rs.58,506 was recorded on the payment side. No trace of the remaining amount of Rs.19,650 (Rs.78,156-58,506) could be found in the cash book thereafter. Audit suspects that this amount had been embezzled. It is therefore proposed that the matter be investigated to trace the missing amount so as to recover it and take disciplinary action against those found responsible for the irregularity.”

28-2-96: The recovery had been verified by Audit. **The para was settled.**

77. Para 5.48: Page 59 – Overpayment of Office Building Rent-Rs.18,683

Audit had observed: “The Deputy D.E.O (M), Rawalpindi, hired a 3 rooms office for his use with effect from 11.2.89 at a monthly rent of Rs.2,950. As per rules the rent payable to the owner was required to be fixed according to the rent assessment certificate issued by the Excise & Taxation Officer.

It was, however, noticed that the rent of the entire building comprising six rooms had been assessed at Rs.2,950 p.m by the Cantt: Executive Officer. As the Deputy DEO had rented only 3 rooms whereas the remaining 3 rooms had been rented to two private parties, the rent payable by Government., should not have exceeded Rs.1,475 p.m. The irregular payment of higher rent resulted in excess payment of Rs.18,683 for the period 11.9.1989 to 30.9.1990.”

28-2-96: As the compliance had been verified by Audit, **the para was settled.**

78. Para 5.49: Page 59 – Irregular Purchase Rs.17,534

Audit had observed: “In the office of D.E.O (W), Sargodha an expenditure of Rs.17,534 was incurred on the purchase of 141 maps during June, 1989. The purchase appeared to be doubtful because of the following reasons:-

i) The budget was allocated by the Director Education, Sargodha on 28.6.1989, quotations were received on 28.6.1989, from various firms located at Lahore, bill was also prepared on 28.6.89 and submitted to District Accounts Officer on the same date. Thus all the formalities were completed in one day only.

ii) The sanction was also found improper as it was accorded under rule 3(a) of Delegation of Powers, 1962 whereas the item purchased was not specifically shown in

the budget.

iii) Maps were purchased at an excessively high rate of Rs.175/- each.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

79. Para 5.50: Non-Accountal of Store/Stock Articles Worth Rs.15,500.

Audit had observed: “The verification of the record revealed that store & stock articles purchased during 1988-90 costing Rs.15,500 were neither entered in stock register nor were physically available in the school. The articles were therefore misappropriated.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

80. Para 5.51: Page 60 – Overpayment of Rs.14,311

Audit had observed: “During 1989-90 the Deputy D.E.O. (M), Jhang granted two advance increments to S.V. teachers for passing BED qualification. This resulted in an overpayment of Rs.14,311 (detail in the original para).”

28-2-96: Recovery had been verified by Audit. **The para was settled.**

81. Para 5.52: Page 61 – Suspected Embezzlement of Rs.8,228

Audit had observed: “Various schools under the administrative control of Deputy Distt. Education Officer (M), Wazirabad collected an amount of Rs.8,228 from students as tuition fee. Audit suspects that this amount had been embezzled as the deposit challans into Government treasury or verified list of deposits from Distt. Accounts Officer were not produced.”

28-2-96: The Department was directed to move the Finance Department for the write off sanction of the amount of Rs.8,228. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 28 February 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

82. Para 5.53: Page 61 – Embezzlement of Govt. Money Rs.8,000

Audit had observed: “In Govt. M.S Islamia High School, Gujranwala amount of Rs.8,000 on account of pay at the close of 12/86 was neither shown as opening balance in cash book for 1/87 nor deposited into Government treasury. Audit suspects that the amount was embezzled.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

83. Para 5.54: Page 62 – Embezzlement of Government Money Rs.6,565

Audit had observed: “In the office of Deputy District Education Officer (M) Wazirabad a sum of Rs.6,656 shown as closing balance in cash book for 6/89 was neither carried forward in 7/89 nor deposited into Government treasury even after a lapse of 1 year & six months. The amount has therefore, been embezzled.”

28-2-96: Under the stated circumstances the Department was directed to refer the case to Finance Department for write off. **The para was settled,** subject to write off by the Finance Department.

Annexure Paras

- 1. Para No.26/1971-72 Page 230 read with Sr. No.12 of Audit Report for the Year 1989-90; Non-Recoveries of Contribution-Rs.463,222**
- 2. Para No.29/1971-72 Page 230 read with Sr. No.13 of Audit Report for the Year 1989-90; Misappropriation of Fee & Funds-Rs.113,574**
- 3. Para No.31/1972-73 Page 230 read with Sr. No.14 of Audit Report for the Year 1989-90; Misappropriation of Stock Articles-Rs.31,214**
- 4. Para No.1(i)/1977-78 Page 230 read with Sr. No.15 of Audit Report for the Year 1989-90; Irregularity in the Local Purchase of Stores-Rs.30,081**

5. Para No.1(ii)/1977-78 Page 230 read with Sr. No.16 of Audit Report for the Year 1989-90; Irregularity in the Local Purchase of Stores-Rs.46,785 & Rs.65,000
6. Para No.1(5)/1977-78 Page 230 read with Sr. No.17 of Audit Report for the Year 1989-90; Irregularity in the Local Purchase of Stores-Rs.17,377
7. Para No.2(2)/1977-78 Page 231 read with Sr. No.18 of Audit Report for the Year 1989-90; Embezzlement-Rs.13,142
8. Para No.12(4)/1981-82 Page 231 read with Sr. No.19 of Audit Report for the Year 1989-90; Misappropriation of Cash-Rs.6,231
9. Para No.12(5)/1981-82 Page 231 read with Sr. No.20 of Audit Report for the Year 1989-90; Misappropriation of Cash-Rs.6,080
10. Para No.14/1981-82 Page 231 read with Sr. No.21 of Audit Report for the Year 1989-90; Irregular Purchase of Industrial Articles-Rs.39,171
11. Para No.13(2)/1982-83 Page 231 read with Sr. No.22 of Audit Report for the Year 1989-90; Misappropriation- Rs.23,153
12. Para No.17(2)/1982-83 Page 231 read with Sr. No.23 of Audit Report for the Year 1989-90; Unnecessary Drawal/Retention of Government Money-Rs.66,538
13. Para No.25(1)/1983-84 Page 231 read with Sr. No.24 of Audit Report for the Year 1989-90; Misappropriation-Rs.15,445
14. Para No.27/1971-72 Page 231 read with Sr. No.25 of Audit Report for the Year 1989-90; Novel Expenditure-Rs.8,310

13-6-02: The above mentioned 14 paras had already been conditionally settled/dropped by the PAC. However, the Committee **settled the paras** with the direction that the Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directives of the PAC.

Performance Audit Special Education Programme (Institute for Blind at Lahore)

12-6-02: The Committee **pended** the said Performance Audit Report with the direction that the same shall be considered by the SDAC and its recommendations/report shall be submitted to the Assembly Secretariat by 31 October 2002 for further consideration by the PAC.

Children Library Complex Lahore

13-6-02: The Committee **pended** the said Performance Audit Report with the direction that the same shall be considered by the SDAC and its recommendations/report shall be submitted to the Assembly Secretariat by 31 October 2002 for further consideration by the PAC.

Excise and Taxation Department

Overview

Total Paras	Revenue Receipts	Commercial
63	60	3

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 16	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	Revenue Receipts: 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 2.1, 2.2: 0122, 0281, 0288, 0291, 0294, 3.1, 3.2, 3.3(A)(a), 6.1,	16
Paras Finally Settled 14	Paras finally settled as the requisite action had been taken.	Revenue Receipts: 2.2:0282, 3.3(A)(f)(iii), 3.3(B)(a)(ii), 3.3(B)(b)(i), 3.3(B)(c), 3.4: (vi), (viii), 3.5: (v), (viii), 3.6(ii), 7.1.	11
		Commercial: 3(x), 57, 58	3
Paras Conditionally Settled 33	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit shall verify the same.	Revenue Receipts: 3.3(A)(a): (i), (ii), 3.3(A)(b), 3.3(A)(c): (i), (ii), 3.3(A)(d), 3.3(A)(e), 3.3(A)(f): (i), (ii) (iv), 3.3(B)(a)(i), 3.3(B)(b)(ii), 3.4: (i), (ii), (iii), (iv), (v), (vii), 3.5: (i), (ii), (iii), (iv), (vi), (vii), 3.6(i), 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9.	33

Discussed on 17-18 April 1995, 6 July 1999 and 13 June 2002.

Revenue Receipts Audit

1. Para 1.1: Urban Immovable Property Tax
2. Para 1.2: Motor Vehicles Tax
3. Para 1.3: Other Receipts Under Motor Vehicles Ordinance, 1965
4. Para 1.4: Entertainment Tax
5. Para 1.5: Cotton Fee
6. Para 1.6: Sugar-cane (Development) Cess Fund
7. Para 2.1: An Overview
8. Para 3.1: Recoveries at the Instance of Audit
9. Para 3.2: Specific Irregularities

13-6-02: The Committee **noted** the paras as these were of introductory/descriptive nature.

10. Para 2.2: Pages 5 to 12 – Comparative Statement of Revenue Receipts 0122 – Immovable Property Tax (Urban)

17-4-95: Explaining the decrease in tax collection, the Department stated that under Presidential Order No.13 of 1979, the Cantonment Board had been authorized the collection of taxes and 15% of the net collection of the property tax was payable to the Excise and Taxation Department. But the Cantonment Boards were not promptly paying the share of the E&T Department and inspite of repeated efforts the Boards had not responded with the result that huge arrears were lying against these Boards. The Committee directed that:-

1. Audit should supply a list of heads which in their opinion should be given within their purview.
2. What was the target and what was the total collection.
3. What was the Department's share.
4. The Department, the Finance Department and the Audit should sit together for reconciliation of figures.

A comprehensive report to be submitted to the PAC within two weeks. The para was kept pending.

13-6-02: The Committee **noted** the para as this was of introductory/descriptive nature.

0281 – Registration Fee

	<u>Year</u>	<u>Target</u>	<u>Actual Receipts</u>	<u>Short Fall</u>
i)	1988-89	58,296,000	54,215,920	(-) 4,080,080
	1989-90	51,500,000	48,708,223	(-) 2,791,223
	1990-91	70,100,000	68,750,601	(-) 1,349,399

17-4-95: The figures of short fall in receipts mentioned by the Department were at variance with those of Audit. Therefore, the Department was directed to reconcile the figures of receipts with Audit. **The item was kept pending.**

13-6-02: The Committee **noted** the para as this was of introductory/descriptive nature.

0282 – Token Tax

i)	1988-89	392,000,000	374,650,478	(-) 17,349,522
ii)	1989-90	412,000,000	392,307,614	(-) 19,692,386
iii)	1990-91	430,000,000	409,510,613	(-) 20,489,387

17-4-95: The explanation of the Department was accepted and **item was settled.**

0288 Other Receipts

i)	1988-89	28,000,000	16,747,546	(-) 1,252,454
ii)	1989-90	32,415,000	52,604,900	(+) 20,189,900
iii)	1990-91	76,330,000	84,261,515	(+) 7,931,515

13-6-02: The Committee **noted** the para as this was of introductory/descriptive nature.

0291 Entertainment Tax

1988-89	163,048,000	150,853,311	(-) 12,194,689
1989-90	163,701,000	163,295,400	(-) 05,600
1990-91	169,268,000	152,514,091	(-) 16,753,909

17-4-95: The Department explained that short fall in Entertainment Tax was due to the fact that Cinema business was in slump from past many years and it was a world wide trend. Therefore, the short fall in Entertainment Duty was bit natural.

The Committee was of the view that the Department should have reduced the target keeping in view the prevailing circumstances. Anyhow the position of short fall in 1989-90 was much better as compared to 1988-89 & 1990-91 and if the Cinema was in slump then there should not had been any improvement in a subsequent year.

The Department further pointed out that actual figures of receipts were Rs.156,614,091 and not Rs. 152,514,091 as mentioned by Audit.

The Committee directed that Department should reconcile its figures with Audit and to submit a report showing factual position of short fall. The para was kept pending.

13-6-02: The Committee **noted** the para as this was of introductory/descriptive nature.

0294 Cotton Fee

1988-89	176,000,000	190,598,535	(+) 14,598,535
1989-90	190,000,000	199,035,560	(+) 9,035,560
1990-91	225,000,000	186,513,109	(-) 38,486,891

17-4-95: There was a difference in the figures of the Audit and those of Department.

The Public Accounts Committee directed the Department to reconcile the figures with Audit. **The item was kept pending.**

13-6-02: The Committee **noted** the paras as these were of introductory/descriptive nature.

11. Para 3.3: Page 15 – Property Tax**Para 3.3(A): Page 15 – Non-Realization of Property Tax of Rs.1,346,880****(a) Due to Non Recovery of 15% Share of Property Tax of Provincial Government from Cantonment Boards – Rs.536,895**

Audit had observed: “According to clause 3(3) of Presidential Order No.13 of 1979, 15% share of the net proceeds of the property tax collected by a cantonment is payable to the provincial government. In violation of above provisions property tax of Rs.536,895 on account of share of provincial government was not recovered in the following cases:-

18-4-95: It had been stated by the Administrative Secretary that an amount of Rs.1,346,880 being 15% share of the net proceed of the property tax collected by the Cantonment Boards under clause 3(3) of Presidential Order No.13 of 1979, was not realized.

The Department explained that Cantonment Boards were not very prompt in paying the Provincial Government share of the property tax. They paid the Provincial Government share occasionally and partially. Anyhow, the Department was making its all out efforts for the recovery of the same and results were as under:-

(i) E.T.O. I-Multan

Audit had observed: “Property tax of Rs.400,000 was not recovered by the Excise and Taxation Officer-I, Multan during the years 1987-88 to 1989-90.”

18-4-95: Rs.245,000 were recovered and verified by Audit. An amount of Rs.155,000 was still outstanding.

The PAC **settled the para** subject to recovery of remaining amount of Rs.155,000 and verification of the same by Audit.

(ii) E.T.O. Bahawalpur

Audit had observed: “Property tax of Rs.190,910 was not recovered by the Excise and Taxation Officer Bahawalpur during the years 1988-89 and 1989-90.”

18-4-95: Property Tax of Rs.190,910 was recoverable from Cantonment Board, Bahawalpur on account of property tax. The Department explained that an amount of Rs.139,596 had been recovered leaving a balance of Rs.47,299. The Audit stated they had verified a recovery of only Rs.124,596 and remaining was yet to be verified. **The para was settled** subject to recovery of remaining amount and verification of the same by Audit.

(b) Due to Unlawful Exemption – Rs.59,310 E.T.O. Sheikhpura

Audit had observed: “Under section 4(1) of Urban Immovable Property Tax Act, 1958 all new buildings constructed for residential purposes and actually and exclusively occupied or fit for occupation as such are exempt from tax for a period of first three years. Contrary to above provisions of law, property tax was exempted for Ist three years by the Excise and Taxation Officer Sheikhpura in respect of 4 newly constructed buildings which were either let out to the government as offices or the persons were running schools therein etc. on commercial basis. The un-lawful exemption thus caused loss of government revenue of Rs.81,207 during 1989-90.”

18-4-95: Under Section 4(1) of Urban Immovable Property Tax Act 1958 all new buildings for residential purposes were exempted from Tax for Ist 3 years. Contrary to this E.T.O. Sheikhpura exempted 4 new such buildings which were used for commercial purposes.

The Department explained that a sum of Rs.24,300 had been recovered and remaining recovery was under way.

The Committee directed the Department to get the recovery verified by Audit, and also to probe as to how these buildings were exempted from tax. Department was further directed to conduct enquiry against the officer who did this job.

The para was kept pending for balance recovery, verification by Audit and results of enquiry.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 18 April 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

(c) Due to Non Issuance of Demand Notice Rs.53,076

Audit had observed: “Under rules 5 & 15 of Urban Immovable Property Tax Rules, 1958, the assessing authority is required to maintain for each rating area, a tax demand and collection register

in order to issue demand notices for enforcing recovery of tax due. Contrary to the above the departmental authorities failed to issue demand notices causing escapement/non-realization of property tax of Rs.53,076 in the following cases:-

18-4-95: The Department contrary to the requirements of rule 5 & 15 of Urban Immovable Property Tax Rules, 1958, did not issue demand notices causing escapement/non-realization of property tax of Rs.53,076.

The Department explained that total amount was Rs.30,167 out of which a sum of Rs.7,171 had been recovered of tax of Rs.22,995 was not due.

The Committee directed that relevant record be got verified by audit.

The para was settled subject to said verification.

(i) ETO Sheikhpura Rs.40,840

Audit had observed: "Property tax of Rs.40,840 was not demanded and recovered in 3 cases by the Excise and Taxation Officer Sheikhpura during 1988-89 and 1989-90."

18-4-95: The para **was settled subject** to verification of record by Audit.

(ii) E.T.O. Bahawalpur Rs. 22,909.

Audit had observed: "Property Tax of Rs.22,909 was not demanded and recovered in one case by the Excise and Taxation Officer Bahawalpur during 1988-89 to 1990-91."

18-4-95:Property tax of Rs.22,909 was not demanded by ETO, Bahawalpur.

The Department explained that said dues were against buildings owned by WAPDA. The matter was discussed in the Inter Provincial Coordination Committee which decided that Provincial Government's might allow exemption of property tax in favour of WAPDA. The Department was sure that exemption was restricted to Grid Station and installations of similar nature. But tax in respect of other buildings being used for offices and commercial purposes, like WAPDA House in Lahore, were liable to pay tax. Contrary to this WAPDA altogether stopped payment of tax regardless of commercial or non commercial distinction. The Public Accounts Committee directed that matter might be taken up with the Federal Government for decision. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall implement the directive

of the PAC dated 18 April 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

(d) Due to Omission in Carrying Forward of Arrears of Property Tax Rs.27,086 E.T.O. Multan

Audit had observed: “Outstanding property tax of Rs.29,086 in 8 cases appearing in the old demand and collection register (PT-8) relating to the period 1983-84 to 1987-88 was not brought forward to the subsequent years demand register (PT-8) by the Excise and Taxation Officer-II Multan. Resultantly the amount involved was not accounted for, escaping recovery action and remaining un-realized.”

18-4-95: Outstanding property tax amounting to Rs.29,086 was not brought forward to the subsequent years Demand Register. As result the said amount was not accounted for, escaping recovery action, remained un-realized.

The Department explained that all the amount of Rs.27,086 had been recovered out of which a sum of Rs.22,544 had been verified by audit. **The PAC settled the para** subject to verification of remaining amount of Rs.4,488. The Department should also see that the omission was not *malafide*.

(e) Due to Non-Aggregation of Properties Owned by the Same Person – Rs.17,660 E.T.O. Sargodha:

Audit had observed: “According to explanation given below section 3 of the Urban Immovable Property Tax Act, 1958 the annual value for the purpose of this section shall be the aggregate annual value of all buildings and lands owned by the same person in the same area. Contrary to above provision, properties owned by certain assesses had not been aggregated by the Excise and Taxation Officer Sargodha during 1986-87 to 1990-91 causing non-assessment of property tax leading to non-realization of government revenue of Rs.30,610.”

18-4-95: According to the provisions of Section 3 of the Immovable Property Tax Act 1958, annual value was to be the aggregate annual value of all the buildings and land owned by the same person. Contrary to this properties owned by certain assesseees had not been aggregated by the E.T.O. causing loss to the Government amounting to Rs.17,660.

The Department explained that all out efforts were being made for recovery of the amount involved.

The PAC directed that aggregated assessment & property tax should be made and outstanding amount be recovered without further delay.

The para was settled subject to recovery and verification.

(f) Due to Non Recovery of Arrears of Rs.652,853

(i) E.T.O-II-Multan Rs.420,335

Audit had observed: "Property tax of Rs.420,335 for the period 1983-84 to 1990-91 was not recovered in one case consisting of two units by the Excise and Taxation Officer-II, Multan."

18-4-95: Property tax amount to Rs.420,335 was not recovered by the E.T.O-II, Multan. The Department explained that case was sub-judice in High Court Multan Bench. The para was kept pending till the decision of court.

13-6-02: The Committee settled the para with the direction that subject to the decision of the court, the recovery shall be effected and disciplinary action taken. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

(ii) E.T.O. Sheikhpura Rs.2,09,962

Audit had observed: "In 11 cases, property tax of Rs.209,962 was not recovered by the Excise and Taxation Officer Sheikhpura during the years 1986-87 to 1990-91."

18-4-95: The Department explained that out of the total recoverable amount of Rs.31,900 an amount of Rs.18,701/63 had been recovered and tax amounting to Rs.13,288/19 was not due. **The PAC settled the para subject to verification** of the relevant record by Audit.

(iii) E.T.O. Sahiwal Rs.141,903

Audit had observed: "Property Tax of Rs.141,903 recoverable in 3 cases during the years 1987-88 to 1990-91 was not recovered by the Excise and Taxation Officer, Sahiwal."

18-4-95: The Department explained that all the amount of Rs.141,903 had been recovered and verified by Audit. **The para was settled.**

(iv) E.T.O. Kasur Rs.175,356

Audit had observed: "Arrears of Rs.175,356 outstanding in 15 cases pertaining to the years 1984-85 to 1987-88 were not realized by the Excise and Taxation Officer, Kasur."

18-4-95: An amount of Rs.175,356 was in arrear. The Department explained that an amount of Rs.116,731 was recovered and verified by Audit. Out of the remaining amount of Rs.58,625 a sum of Rs.42,093 was recovered leaving a balance of

Rs.16,532.

The para was settled subject to recovery of whole amount and verification of the same by Audit.

Para 3.3(B): Page 19 – Under Assessment of Property Tax Of Rs.79,057

(a) Due to Non Aggregation of Properties Owned by the Same Persons – Rs.38,223

Audit had observed: “According to the explanation given below section 3 of Urban Immovable Property Tax Act, 1958 the annual value for the purpose of levy of property tax shall be the aggregate annual value of all buildings and lands owned by the same person in a rating area. Contrary to above provisions, properties owned by certain assesses had not been aggregated causing under assessment of property leading to short realization of revenue of Rs.38,223.”

(i) E.T.O. Sheikhpura. Rs.49,153

Audit had observed: “Property tax of Rs.49,153 was short realized in 15 cases by Excise and Taxation Officer, Sheikhpura during 1985-86 to 1989-90.”

18-4-95: Property tax of Rs.49,153 was short realized in 15 cases. In 7/91 a sum of Rs.25,831 was liquidated by the Department and verified by Audit.

The Department explained that balance of Rs.23,322 was also liquidated by the Department. **The PAC settled the para** subject to verification of record by Audit.

(ii) E.T.O. Zone-III-Lahore Rs.26,828

Audit had observed: “Property Tax of Rs.26,828 was short realized in 29 cases by the Excise and Taxation Officer Zone-III, Lahore during 1987-88.”

18-4-95: The Department explained that entire amount had been recovered and verified by Audit. **The para was settled.**

(b) Due to grant of irregular rebate/allowance – Rs.25,555

(i) E.T.O-I-Lahore

Audit had observed: “According to section3(7) of the Urban Immovable Property Tax Act, 1958, 5% rebate is allowed if the property tax is paid within the prescribed limit of time.

In a case, the said rebate was allowed irregularly by the Excise and Taxation Officer-I Lahore during 1987-88 and 1988-89 although the payments were not made in lump-sum on or before the due date causing short-realization of property tax of Rs.17,455.”

18-4-95: The Department explained that entire amount of Rs.17,455 had been recovered. **The para was settled.**

(ii) E.T.O. Sargodha

Audit had observed: “An allowance of Rs.1,000 per month on account of pay of two operators was allowed un-authorizedly by the Excise and Taxation Officer Sargodha in respect of a unit consisting of a cinema leading to short recovery of property tax of Rs.13,500 during the years 1986-87 to 1990-91.”

18-4-95: A rebate of Rs.1,000 P.M. was allowed on account of salary of two operators of a Cinema of Bhalwal by Director, E&T Sargodha.

The decision was challenged by the Audit considering that said rebate was not admissible and so resulted in a loss to the Government of Rs.13,500.

The Department explained that decision of the Director, E & T, Sargodha cannot be challenged and therefore, the rebate was in order.

The PAC directed that the case be re-viewed by Secretary, Excise & Taxation Department. **The para was settled** subject to review by Secretary, E&T Department.

(c) Due to Application of Incorrect Rate of Property Tax – Rs.15,279 E.T. O.-II, Multan

Audit had observed: “Excise and Taxation Officer-II, Multan short assessed and recovered the property tax by applying the incorrect rate of property tax instead of the rate prescribed under law. Subsequently a rebate was also granted. This caused short-realization of property tax of Rs.27,906 in 4 cases during 1988-89 to 1990-91.”

18-4-95: The Department explained that entire amount of Rs.15,279 had been recovered and verified by Audit. **The para was settled.**

12. Para 3.4 Page 21 – Motor Vehicle Tax

Non-Recovery of Token Tax of Rs.27,642,488

18-4-95: Recovery of token tax in respect of various vehicles was stopped altogether without recording their closure entry or N.O.C. issued for payment of tax in other districts. In this way the Government was put to a loss of Rs.27,642,488.

The Department explained that lot of motor vehicles had gone out of order by aging or accidents but their fate was not reported to the Department and therefore, their tax factor was still appearing in the books.

The PAC directed that the Department should approach the Finance Department for write off

sanction and also the Department, with collaboration of Finance Department, should fix a yard stick to consider that how old case should be exempted from tax.

The para was kept pending.

(i) E.T.O. Rawalpindi

Audit had observed: “Excise and Taxation Officer Rawalpindi failed to recover token tax of Rs.23,585,520 from 1668 vehicles of National Logistic Cell during 1986-87 to 1990-91.”

18-4-95: An amount of Rs.23,585,520 on account of token tax was not realized from N.L.C. The Department explained that vehicles of N.L.C. were registered by the General Head Quarters under the special provisions of Motor Vehicle Ordinance, but the Department was always of the view that vehicles of NLC were not being used for defence purposes and hence not eligible for tax exemption which was only admissible to motor vehicle owned and kept for non-commercial use by the Defence Services of Pakistan. Contrary to this the vehicles of NLC were being used for commercial purposes. Therefore, the NLC was liable to pay the token tax and Department was stressing the NLC authorities for payment of token tax but they are not responding to the request of the Department.

The PAC directed the Department to take up the matter at higher level.

The para was kept pending till the recovery of token tax from the NLC. The PAC’s observation may also be communicated to the Chief Minister and the Prime Minister.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

(ii) ETOs Lahore, Rawalpindi and Multan.

Audit had observed: “Token tax of Rs.3,385,058 for the year 1978-79 to 1990-91 in respect of 437 cases was not recovered.”

18-4-95:

E.T.O. Lahore – 240 cases	Rs. 3,072,379
E.T.O. Rawalpindi – 55 cases	Rs. 146,291

E.T.O. Multan – 55 cases

Rs. 166,388

The para was kept pending for balance recovery and verification.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

(iii) E.T.O. Khushab

Audit had observed: “Excise and Taxation officer Khushab failed to recover token tax of Rs.334,215 from the owners of 52 tied up vehicles during 1988-89 and 1989-90.”

18-4-95: E.T.O. Khushab failed to recover token tax of Rs.334,215 in respect of 55 tied up vehicles.

The Department explained that a sum of Rs.44,222 was liquidated by the Department and verified by Audit in 7/91. Recovery of the balance amount of Rs.289,293 was in progress.

The para was kept pending for completion of recovery

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

(iv) E.T.O. Sheikhpura

Audit had observed: “Token tax of Rs.184,552 for the years 1985-86 to 1986-87 was not recovered by the Excise and Taxation Officer Sheikhpura from the owners of 60 tied up vehicles.”

18-4-95: An amount of Rs.184,552 was outstanding on account of token tax. In 11/90 an amount of Rs.40,302 was liquidated by the Department leaving a balance of Rs.144,250.

The Department explained that efforts were underway for the recovery of the balance amount. The para was kept pending for recovery.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The outstanding amount shall be recovered and reported to the

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

(v) **E.T.O. Layyah**

Audit had observed: "Excise and Taxation Officer Layyah failed to recover token tax of Rs.137,769 from the owners of 28 tied up vehicles during 1987-88 to 1989-90."

18-4-95: An amount of Rs.137,769 was recoverable on account of token tax.

The Department explained that defaulter persons were being pursued for the recovery of outstanding token tax of Rs.137,769.

The PAC kept the para pending for recovery of token tax.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction-**

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

(vi) **E.T.O. Sahiwal**

Audit had observed: "Excise and Taxation Officer Sahiwal failed to recover token tax of Rs.163,236 from the owners of 14 tied up vehicles during 1987-88 to 1990-91."

18-4-95: Token tax amounting to Rs.163,236 was recoverable from the owners of 14 tied up vehicles, out of which a sum of Rs.89,988 was liquidated by the Department and verified by Audit.

The Department explained that balance amount of Rs.73,248 had been recovered and verified by Audit. **The para was settled.**

(vii) **E.T.O. Sargodha**

Audit had observed: "Token tax of Rs.97,452 was not recovered by the Excise and Taxation Officer Sargodha from the owners of 22 tied up vehicles during 1988-89 and 1989-90."

18-4-95: The Department explained that out of the total amount of Rs.97,452 a sum of Rs.57,401 was recovered and verified by Audit and efforts were being made for remaining recovery.

The P.A.C. settled the para subject to verification of the remaining recovery.

(viii) **E.T.O. Rahim Yar Khan**

Audit had observed: "In respect of 14 tied up vehicles token tax of Rs.15,877 was not recovered by the Excise and Taxation Officer Rahim Yar Khan during 1988-89 and 1989-90."

18-4-95: The Department explained that entire amount of Rs.15,877 had been recovered and verified by Audit. **The para was settled.**

13. Para 3.5 Page 24 – Cotton Fee

Non-Recovery of Arrears of Cotton Fee – Rs.2,079,192

Audit had observed: “Under rule 25 of West Pakistan Cotton Control Rules, 1966, every owner of a cotton factory is required to pay on the cotton received, a fee at a specified rate. The arrears of fee, if not paid within the prescribed period shall be recoverable as arrears of land revenue. The departmental authorities, however, failed to apply the above provisions against the owners of cotton factories who failed to pay fee within the specified period. Resultantly cotton fee of Rs.2,079,192 remained un-recovered.”

(i) ETOs Vehari and Multan

Audit had observed: “Cotton fee aggregating Rs.1,006,788 recoverable from 21 ginning factories was not recovered during 1986-87 to 1989-90.”

18-4-95:

The Cotton Fee aggregating Rs.1,006,788 recoverable from 21 factories.

E.T.O. Vehari 19 cases Rs.9,71,955

E.T.O. Multan 2 Cases Rs.34,853

The para reduced to balance amount of Rs.641,161 and kept pending for balance recovery.

The para was kept pending for balance recovery.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

(ii) E.T.O. Bahawalpur

Audit had observed: “Excise and Taxation officer Bahawalnagar failed to recover cotton fee of Rs.922,414 from the owners of 7 ginning factories during 1988-89 and 1989-90.”

18-4-95: The Department explained that case of recovery of Rs.598,148 on account of Cotton Fee from Haq Cotton Factory, Haroonabad was sub-judice.

The PAC kept the para pending for recovery.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

(iii) E.T.O. Sahiwal

Audit had observed: “Cotton fee of Rs.365,554 recoverable from 9 ginning factories for the period 1987-88 to 1989-90 was not recovered by the Excise and Taxation Officer Sahiwal.”

18-4-95: An amount of Rs.365,557 was recoverable from 9 Ginning Factories, out of which an amount of Rs.171,624 was recovered and verified by Audit in 8/91 leaving a balance of Rs.193,930.

The Department explained that an amount of Rs.87,326 recovered and verified by Audit leaving a balance of Rs.106,604.

The para was kept pending for remaining recovery.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

(iv) E.T.O. Bahawalpur

Audit had observed: “Excise and Taxation Officer Bahawalpur failed to recover cotton fee of Rs.100,068 from the owners of 3 ginning factories during 1989-90.”

18-4-95: The Department explained owners of the Ginning Factories were being pressed hard for recovery. The PAC kept the para pending for recovery.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

(v) E.T.O. Sheikhpura.

Audit had observed: “Excise and Taxation Officer Sheikhpura failed to recover cotton fee of Rs.91,951 from the owners of 5 ginning factories for the period upto May, 1989.”

18-4-95: The Department explained that amount involved in the para relates to old arrears of Cotton Fee transferred from Agriculture Department. Even the factories to which these arrears were relating had been winded up.

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

(vi) E.T.O. Rajanpur.

Audit had observed: “Excise and Taxation Officer Rajanpur failed to recover cotton fee of Rs.36,905 from the owners of 2 ginning factories for the years 1985-96 to 1987-88.”

18-4-95: An amount of Rs.36,905 was recoverable on account of Cotton Fee. The Department explained that amount of Cotton Fee calculated by Audit was not due. The PAC **settled the para** subject to verification of relevant record by Audit.

(vii) E.T.O. Rajanpur

Audit had observed: “Cotton fee of Rs.28,260 recoverable from 3 ginning factories for the period 1986-87 to 1987-88 was not recovered by the Excise and Taxation Officer Rajanpur.”

18-4-95: The Department explained that recoverable amount was miscalculated by Audit. Actually an amount of Rs.460 was recoverable which had been recovered, while the remaining amount of Rs.27,800 was not due.

The PAC **settled the para** subject to verification of factual position by Audit.

(viii) E.T.O. Vehari

Audit had observed: “Excise and Taxation Officer Vehari failed to recover cotton fee of Rs.23,142 from the owners of a ginning factory during the year 1988-89.”

18-4-95: The Department explained that entire amount of Rs.23,142 had been recovered and verified by Audit. **The para was settled.**

14. Para 3.6 Page 26 – Entertainment Tax

Non-Realization of Entertainment Duty of Rs.163,302

(i) Non Recovery of Entertainment Duty of Rs.126,398 Due to Pendency of Controversial Cases

Audit had observed: “Entertainment duty evaded by 3 cinema managements was detected by the Excise and Taxation Officer Vehari during 1986-87 to 1989-90 but contravention cases were pending adjudication. Resultantly, entertainment duty of Rs.126,398 besides penalty livable under law remained un-realized.”

18-4-95: The Department explained that an amount of Rs.801 had been recovered vide receipt No.21 dated 7.11.1988 and No.59 dated 11.1.1988. So far as the remaining amount was concerned the Cinema management contended that they had also deposited the same in cash. Anyhow, they did not produce the documents in their support and they had been directed to produce the relevant record to verify the fact.

The para was kept pending for verification of the factual position of recovery.

13-6-02: Reiterating the decision of the PAC dated 18 April 1995, **the Committee settled the para subject to the following direction—**

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

(ii) **Non Recovery of Arrears of Entertainment Duty of Rs.36,904 E.T.O. Muzaffargarh**

Audit had observed: “According to section 13(1) and (3) of the Punjab Entertainment Duty Act, 1958, the entertainment duty evaded or unpaid or penalty imposed shall be payable within the time specified by the collector. Any sum on account of entertainment duty or penalty remaining un-paid shall be recoverable as arrears of land revenue.

18-4-95: The Department explained that entire amount of Rs.36,904 had been recovered and verified by Audit. **The para was settled.**

Anyhow, the Audit pointed out that Department had not presented working papers in respect of Chapter 6 of the Audit Report. The PAC directed the Department working paper in respect of Chapter 6 of the Audit Report for the year 1990-91 may be submitted for the next meeting.

Postal Scheme of Motor Taxation

1. Para 6.1: Page 33 –

13-6-02: The Committee **noted** the para as it was of introductory/descriptive nature.

2. Para 6.2: Page 34 –Short-Remittance of Token Tax of Rs.8,883,568 by Postal Department to Excise & Taxation Department

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 October 2002 in the light of the decision of the SDAC. The action taken in

the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 6.3: Page 34 –Short-Realization of Penalty Amounting to Rs.371,254

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

4. Para 6.4: Page 34 – Short-Realization of Registration Fee Amounting to Rs.16,590

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 6.5: Page 36 –Non-recovery of Motor Vehicles Tax of Rs.2,476,394

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

6. Para 6.6: Page 36 –Excess Deduction of Service Charges of Rs.413,545

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

7. Para 6.7: Page 37 – Grant of Inadmissible Rebate of Rs.23,941

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para 6.8: Page 38 –Variation Between Different Sets of Figures of Collection of Motor Vehicles Tax

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

9. Para 6.9: Page 38 –Non-Observance of Prescribed Procedure

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

10. Chapter 7 Pages 41 to 48: (Delay in Disposal of Inspection Reports)

13-6-02: The Committee **noted** the chapter as it was of introductory/ descriptive nature.

Delay in Disposal of Inspection Reports

1. Para 7.1: Page 41-42 – Position of Outstanding Audit Inspection Reports

18-4-95: 255 Audit Inspection Report were outstanding.

The Department explained that 144 reports had been finalized and efforts were under way to finalize the remaining reports.

The Committee **settled the para** with the remarks that the Department should expedite the finalization of reports.

Commercial Audit

1. Para 3(x): Page 5 – Non-Submission of Accounts

6-7-99: The Department explained that 23 current and 25 arrear accounts pertaining to Government opium and Alkaloid Factory for the year 1990-91 had already been sent to the Audit. The PAC accepted the explanation and **the para was settled.**

2. Para 57: Page 43 – Working Results

Audit had observed: “The Government Opium and Alkaloid Factory, Lahore earned a net profit of Rs.2,166,175, Rs.2,058,169 and Rs.2,836,188 during the years 1987-88, 1988-89 and 1989-90 respectively as compared to the profit of Rs.1,952,330 during the previous year 1986-87.”

6-7-99: The Department explained that the factory was continuously earning profit each year. The PAC accepted the explanation and **the para was settled.**

3. Para 58: Page 43 – Non-Reconciliation of Figures

Audit had observed: “The Accountant General Punjab, Lahore booked sums of Rs.4,061,593 and Rs.375,743 under the heads “0260-Receipts” and “0579-Other charges” during the year 1987-88 against which the department booked Rs.4,214,506 and Rs.435,389 respectively showing the difference of Rs.152,913 and Rs.59,646. Similarly, during the year 1989-90 the Accountant General booked Rs.402,005 under head “0579-Other charges” against a sum of Rs.402,105 shown by the Department showing a difference of Rs.100. The differences need early reconciliation.”

6-7-99: The Department explained that variation in the figures of Department and those of Audit had been reconciled with the Audit.

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

Finance Department

Overview

Total Paras
1

Abstract

Status	Decision	Para Nos.	Total
Para Conditionally Settled 1	The para was settled with the direction that the Department shall implement the directives of the Committee and Audit shall verify the same.	Civil: 6.1	1

Discussed on 27 March 1995 and 12 June 2002.

Civil Audit

1. Para 6.1: Page 63 – Cost of Missing Brass Tokens not Recovered (Rs.30,630)

Audit had observed: “A scrutiny of brass token census register of Distt. Accounts Officer, Faisalabad, revealed that 3090 tokens were missing upto April, 1989. Cost of 1340 tokens was stated to have been recovered but treasury challans for recovery of the value of 740 tokens, out of 1340 tokens, was not produced to audit. Thus the cost of 2493 tokens valuing Rs.30.630 was recoverable from the defaulters. No steps were taken to recover the cost of missing tokens.”

27-3-95: The Department explained that out of total amount of Rs.30,630 a sum of Rs.8,910 had been recovered and the chances of recovery of the remaining amount were remote. The D.A.O. had already requested the Accountant General, Punjab, Lahore to write

off the amount.

The para was kept pending for write off or recovery of the balance amount.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 27 March 1995 by 31 October 2002, and report compliance to the Assembly Secretariat and the Audit. Finance Department (Monitoring Wing) shall monitor the implementation of the directive of the PAC.

Food Department

Overview

Total Paras	Civil	Annexure Paras	Revenue Receipt
42	26	14	2

Abstract

Status	Decision	Para Nos.	Total
Paras Finally Settled 3	Paras finally settled as the requisite action had been taken.	Civil: 7.12, 7.15, 7.16 *para 7.8 transferred to Health Deptt.	3
Paras Conditionally Settled 37	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit shall verify the same.	Civil: 7.1(1), 7.1(2), 7.2(1), 7.2(2), 7.3(1), 7.3(2), 7.4, 7.5, 7.6, 7.7, 7.9, 7.10, 7.11, 7.13, 7.14(1), 7.14(2), 7.17, 7.18, 7.19, 7.20, 7.21, 7.22, 7.23	23
		Annexure: 35/72-73, 8(2)/77-78, 8(9)/77-78, 8(10)/77-78, 5(4)/78-79, 5(3)/78-79, 11(1)/79-80, 16(2)/80-81, 37(1)/82-83, 37(2)/82-83, 42(2)82-83, 43/82-83, 34(1)/83-84, 35(1)/83-84	14
Paras Pended 2	Paras pended either because the Department had not taken satisfactory action or the Department did not submit working paper.	Revenue Receipts: 5.1, 5.2	2

Discussed on 21 February 1995, 29 May 1996, and 12-13 June 2002.

Civil Audit

1. Para 7.1(1): Page 64 – Godown Shortage of Wheat, Valuing Rs.3,790,830 District Food Controller Muzaffargarh

Audit had observed: “Godown shortage of wheat relating to various PR Centres of D.F.C. Muzaffargarh weighing 6.30.731 M.T. valuing Rs.16106680 were noticed at the time of clearance of godowns. Godown shortage at various P.R. centres of D.C.C. Vehari aggregating to 843.625 M.T. valuing Rs.2180150 were noticed at the time of clearance of wheat storage godowns.”

21-2-95: (i) Ehsanpur • Rs.36,169/35

The Department stated that actual damaged wheat was 13.680 M. Tons. After inquiry the same was disposed of and the deposit of auction price of Rs.5,500 had been verified by the Audit. **The item was settled.**

(ii) Dera Din Pannah • Rs. 43,550/85

There was a loss of Rs.43,550 due to the damage of wheat weighing 16.815 M. Tons (400 Maunds). The Department explained that the said quantity of wheat was found damaged and unfit for human consumption. It was auctioned for Rs.5,300.

Verification having been done by Audit, **item was settled.**

(iii) Pattlemunda • Rs.47,042

In this case, 21.880 M. Tons of damaged wheat had been written off by the D.D.F and the auction money of the damaged wheat amounting to Rs.5,823 had been deposited in the Government Treasury. The Department explained that as the southern areas were surplus areas the wheat had to be stacked in huge quantities and there was every likelihood of the lowest layer of ganji being damaged. In the instant case the wheat was damaged due to “Khapra” attack. As the verification had been done by Audit, **the item was settled.**

(iv) Pattlemunda • Rs.125,801/48

21-2-95: It was observed that there was a loss of Rs.125,801/48 due to the damage to the stacked wheat. A sum of Rs.40,168 had been written off by the competent authority. The Department on the instance of Finance Department decided that recovery of the remaining amount of Rs.87,588 should be effected from the defaulting person. Accordingly, Asghar Ali Cheema, FGI, was held responsible for the loss. The defaulter appealed in the Services Tribunal and got a stay order. The next date of hearing had been fixed for 15.3.1995.

The Department was directed to pursue the case vigorously and the item was kept pending.

12-6-02: The Committee settled the para with the

direction that subject to the decision of the tribunal, the recovery shall be effected and disciplinary action taken. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

(v) Chak Bodla • Rs.999,232

21-2-95: In this case Muhammad Saeed Durrani, FGI, was held responsible for the shortage of Rs.999,232 by the Department. The Committee was informed that the defaulter had been removed from service on 30.12.1989 but his whereabouts were not known presently. The case for recovery as arrears of land revenue had been referred to the District Collector, Muzaffargarh. The Committee directed that the District Collector should be approached on personal level by the Department and a criminal case should be got registered against the absconder. The item was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

(vi) Shaher Sultan • Rs. 5,779/80

21-2-95: As the loss of Rs.5,779/80 had been written off by the competent authority and verified by Audit, **the item was settled.**

(vii) Belawala • Rs.25,343/15

9.785 M. Tons of wheat, amounting to Rs.25,343/15, had been damaged due to natural calamity and auctioned for a sum of Rs.2,000.

Verification having been done by Audit, **the item was settled.**

(viii) & (ix) Seetpur • Rs.13,970/70 & Rs.32,011/20

21-5-95: It was explained to the Committee that Nawazish Ali, FGS, was held responsible for the shortage of 6.498 Tons of wheat, amounting to Rs.13,970 and 13,680 Tons of wheat valuing Rs.32,011 respectively. The defaulter had been retired from service compulsorily and the amount would be deducted from his gratuity etc. for which papers had not been filed by him.

The Committee directed the Department to be vigilant and, as and when the papers were submitted by the defaulter for his emoluments to effect recovery. The item was kept pending.

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall implement the directive of the PAC dated 21 May 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

(x) Muzaffargarh • Rs.66,309/18

21-5-95: The Committee was informed that full recovery for the shortage of 85.602 M. Tons of wheat, amounting to Rs.66,309, had been imposed on Alleemur Rehman, AFC, who had been transferred from Muzaffargarh to Okara. A notice for the recovery had been issued to the defaulter to deposit the money. The Committee directed that the Department should issue a notice to the defaulter fixing a date for refund of the amount failing which he would be retired compulsorily.

The Committee did not feel satisfied with such actions as “recovery” or “write off” and directed that, in future, all the officers/officials involved in irregularities, misappropriations, shortages, etc. should not be posted in centres at the time of procurement and action should be taken against those responsible for non-recovery of Government dues. The item was kept pending.

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

(xi) Hrpalu • Rs.207,912

21-2-95: Out of the total sum of Rs. 207,912, an amount of Rs. 90,000 had been written off and recovery of Rs. 118,000 imposed on Shoukat Ullah, FGI, had been verified by Audit.

The item was settled accordingly.

(xii) Rangpur • Rs.26,130/51

21-2-95: Against a total loss of Rs.26,130, recovery of Rs.6,231 had been imposed on the defaulting official and the amount of Rs.20,000 had been written off. Verification having been done by Audit, the **item was settled.**

(xiii) Khangarh • Rs.18,995/25 In this case out of a total sum of Rs.18,995/25, an amount of Rs.9,497 had been written off and recovery of Rs.91,497 had been imposed on Ghulam Muhammad Dareeshak, FGI, who had

deposited the money in the Government Treasury.

As verification of the write off and deposit had been verified by Audit, **the item was settled.**

(xiv) Khangarh • Rs.14,671/80

Write off and recovery having been verified by Audit, **the item was settled.**

(xv) Khangarh • Rs.26,327/35

Out of a total loss of Rs.26,327, a sum of Rs.12,114 had been written off and a recovery of Rs.14,213 imposed on Ghulam Muhammad Dareshak, FGI, who had deposited the money in the Government Treasury.

Verification having been done by Audit, **the item was settled.**

2. Para 7.1(2): Page 64 – Godown Shortage of Wheat Valuing Rs.3,790,830

For Audit observation, *see* Sr.No.1 above

District Food Controller Vehari

21-2-95: (1) Dokota Rs.300,287

There was a loss of Rs.300,287 in this case for which Habib Ullah, FGI, had been held responsible and dismissed from service. Case had been registered with the Anti-Corruption Department, Multan, against the defaulter.

The Committee directed the Department to follow up the case on personal level and get it expedited. The item was kept pending.

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

(2) Burewala Rs.716,914/23 And Not Rs.677,300

21-2-95: It was explained that Shifaullah Khan Niazi, FGI, had been dismissed from service for the loss of Rs.677,300. Criminal case had also been got registered in November, 1993 which was under process with the police. The District Collector had also been moved to effect recovery as arrears of land revenue.

The Committee directed the Department to pursue the case at both the platforms and kept the item pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

(3) Gaggo Rs.148,629

21-2-95: Write off and recovery having been verified by Audit, the item was settled.

12-6-02: Reiterating the earlier decision of the PAC dated 21 February 1995, **the Committee settled the para subject to the following direction–**

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

(4) (i-ii) Bini Shells Vehari Rs.1,053,936

21-2-95: The items were kept pending for balance recovery.

(4) (iii) Amount of Rs.59,192/44 against Mr. Zafar Ali, FGS, also adjusted vide B.T.No. 189 Dated 10-2-1994. **The item was settled.**

(4) (iv) 71.435 M. Tons Amounting to Rs.196,594

In this case a recovery of Rs.96,594 had been effected from the defaulter and Rs.100,000 written off.

The item was settled, subject to verification by Audit.

(4) (v) 89.470 M. Tons Valuing Rs.235,329

21-2-95: It was observed that out of the total sum of Rs.235,329, a balance of Rs.47,066 was yet to be recovered from Mukhtar Ahmed Shah who had been dismissed from service. The Department was directed to effect recovery through concrete efforts. The item was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 7.2(1): Page 64 – Enroute Shortage of Wheat Rs.3,337,540

For Audit observation, *see* Sr.No.1 above.

District Food Controller, Muzaffargarh

21-2-95: (i) M.P. Bhagal to Pattle Munda Recovery of Rs.8,691 having been verified by Audit, **the item was settled.**

(ii) D.P. Pannah Initially, shortage of wheat was calculated to be 1.980 Tons but after rectification it came to 1.520 Tons the cost of which came to Rs.3,954. Pervaiz Akhtar, EX•FGI, held responsible for the shortage of Rs.3,954 had deposited the amount in the Government Treasury and verified by Audit, **the item was settled.**

(iii) Sanawan to Chak Bodla Verification of the record by Audit proved that there was no difference of enroute shortage of wheat weighing 691.695 M. Tons. **The item was settled accordingly.**

(iv) Shaher Sultan to Lahore Recovery of Rs.26,370 as the cost of 11.400 M. Tons of wheat having been verified by Audit, **the item was settled.**

(v) Shaher Sultan to Jhelum Cost of wheat amounting to Rs.14,800 having been deposited and verified by Audit, **the item was settled.**

(vi) Shaher Sultan to Lahore Recovery of Rs.7,241, as the cost of 3.384 M. Tons of wheat, had been verified by Audit. **The item was settled.**

(vii) Seetpur to Khangarh In this case there was a shortage of 10.250 M. Tons of wheat which amounted to Rs.22,467. Recovery for the loss had been imposed on Ghulam Muhammad, FGI, and Masood Zafar, Contractor who had deposited the total amount. Recovery having been verified by Audit, **the item was settled.**

(viii) & (ix) Seetpur to Lahore • 2.176 & 8.270 M.Tons Recovery of Rs.5,635 having been verified by Audit, in the meeting, **the item was settled.**

(x) **Seetpur to Jhelum** There was shortage of wheat weighing 28.533 M.Tons and Nawazish Ali, FGS, had been held responsible for the loss and a recovery of Rs.73,901 had been imposed on him. A sum of Rs.1,200 had been deposited by the defaulter leaving a balance of Rs.72,701. The defaulter had been compulsorily retired from service and a case had been referred to the District Collector, Muzaffargarh, for recovery of arrears as land revenue.

The Department was directed to recover the amount from the gratuity, etc of the defaulter. The item was kept pending for balance recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

(xi) **Jatoi to Muzaffargarh** Recovery of Rs.2,973, as the cost of wheat, having been verified by Audit, **the item was settled.**

(xii) **Jatoi to Muzaffargarh** The cost of 2.200 M.Tons of wheat, amounting to Rs.4,730 having been deposited and verified by Audit, **the item was settled.**

(xiii) **Kot Adu to Muzaffargarh** Recovery of Rs.21.50 pertaining to 0.10 Kg of wheat, having been verified by audit, **item was settled.**

(xiv) **Chowk Azam to Muzaffargarh** There was a shortage of 30.565 M. Tons of wheat, amounting to Rs.75,000. Zulfiqar Ali Shah, FGS, was held responsible for the loss and recovery of Rs.75,000 was imposed on him. The defaulter was compulsorily retired and case for recovery as arrears of land revenue had been referred to the District Collector, Muzaffargarh. The Department was directed to pursue the case on personal level and, if possible, effect recovery from his pensionary dues. The item was kept pending for recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

(xv) **Seetpur to Muzaffargarh** The Committee was informed that Nawazish Ali Shah, FGS, was held responsible for the shortage of 8.715 M. Tons of wheat, amounting to Rs.78,000, and recovery of the said amount was imposed on him. The defaulting official had been retired compulsorily. The Committee directed that the amount of Rs.78,000 should be recovered from the gratuity etc of the official. The item was kept pending for recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

(xvi) **Shaher Sultan to Muzaffargarh** Cost of 0.190 Kg, valuing Rs.678/80, having been recovered and verified by Audit, **the item was settled.**

(xvii) **Bakaini to Muzaffargarh** Cost of 0.285 Kg of wheat, valuing Rs.700 having been recovered and verified by Audit, **the item was settled.**

(xviii) **Rakh Harpaulu to Muzaffargarh a)** The Department contended that the actual shortage was 95 Kg for which Rs.246 had been recovered. **The item was settled subject to verification by Audit.**

The Committee was informed that price for the short quantity of wheat amounting to Rs.3,108, had been deposited and verified by Audit, **the item was settled.**

(xix) **Khargarh to Muzaffargarh** Total recovery of Rs.11,603 on account of shortage of wheat, weighing 4.480 M.Tons having been verified by Audit in the meeting, **the item was settled.**

(xx) **Rangpur to Muzaffargarh** Recovery of Rs.4,582, due to shortage of wheat weighing 1.958 M.Tons, had been verified by Audit. **The item was settled accordingly.**

(xxi) **Rangpur to Muzaffargarh** Record pertaining to the acknowledgement of 942.370 M.Tons of wheat vide GP 7 having been verified by Audit, **the item was settled.**

4. Para 7.2(2): Page 64 – Enroute Shortage of Wheat Rs.3,337,540

For Audit observation, *see* Sr.No.3 above

District Food Controller Vehari

21–2–95: (i) **5.105 M.Tons** As this item had been discussed earlier in Para 7.1, it was dropped from here being duplication.

21–2–95: (ii) **26.823 M. Tons** The Public Accounts Committee directed that remaining amount of Rs.43,000 may be recovered. The item was kept pending for balance recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

21-2-95: (iii) 205.293 M.Tons The item was kept pending for balance recovery of Rs.55,811

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction-**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

21-2-95: (1) 11.604 M.Tons Jallah Jeem to Islamabad The item was kept pending for recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction-**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

21-2-95: (2) 8.945 M.Tons Arewahan to Kahrur Pakka The item was kept pending for verification by Audit.

12-6-02: Reiterating the decision of the PAC dated 21 February 1995, **the Committee settled the para subject to the following direction-**

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

21-2-95: (3) Burewala to Sheikhpura 10,000 M. Tons Actual recovery had been made and verified. **The item was settled.**

21-2-95: (4) Burewala to Rawalpindi The amount had been recovered &

verified. **The item was settled.**

21-2-95: (5) Gaggo to Sialkot The recovery had been verified. **The item was settled.**

21-2-95: (6) Gaggo to Islamabad. In this item there was a shortage of 13.321 M. Tons of wheat for which recovery had been imposed on the Carriage Contractor and Mian Abdul Ghafoor, FGI. Recoveries of Rs.30,552 and Rs.3,756 had been verified by Audit leaving a balance of Rs.1,391. The defaulting official had been retired from service and efforts were in progress to effect recovery.

Subject to recovery and its verification by Audit, **the item was settled.**

21-2-95: (7) Machianwala to Burewala Recovery of Rs.65 having been verified by Audit, **the item was settled.**

21-2-95: (8) Burewala to Jhelum Recovery of Rs.386 having been verified by Audit, **the item was settled.**

21-2-95: (9) Burewala to Daska The Department explained that shortage of 0.984 M.Tons of wheat was found against Rao Muhammad Aslam, FGI, who had been dismissed from service but efforts were being made to effect recovery. The Committee directed that recovery should be effected from the gratuity etc. of the dismissed official.

The item was kept pending for recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

21-2-95: (10) Burewala to Sialkot Recovery of Rs.2,590 having been verified by Audit, **the item was settled.**

21-2-95: (11) Burewala to Hassan Abdal Recovery of Rs.4,625 having been verified by Audit, **the item was settled.**

21-2-95: (12) Burewala to Islamabad The Committee noticed that there was a shortage of 28.004 M.Tons of wheat, valuing Rs.72,810. An amount of Rs.47,000 had been recovered and verified by Audit leaving a balance of Rs.25,810. The Department was directed to recover the balance amount. The item was kept pending for balance recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 7.3(1): Page 65 • Misappropriation of Gunny Bags Worth Rs.38,369,392 District Food Controller Muzaffargarh

Audit had observed: “Gunny bags worth Rs.640713 were misappropriated at various centres of D.F.C. Muzaffargarh in 21 cases as under–

- 1) Despatches from one centre were not appearing in the register of the other centre.
- 2) Despatches from one centre were taken less in the register of the other centre.
- 3) The closing balance at the end of the month was shown less than the actual totals.
- 4) Closing balance of the month was not carried forward as the opening balance of the next month.
- 5) The closing balance was carried forward less than the actual balance.
- 6) Declassification of “A-class” bags was done into “B-class” without any orders. Thus, decreasing the number of “A-class” bags and increasing the number of “B-class” bags.”

21–2–95: This was a composite para. Items (i) to (v), pertaining to gunny bags, **were settled** as verification had been done by Audit.

21–2–95: vi) Subject to verification of record by Audit, **the item was settled.**

21–2–95: vii) Entries of bags in the inventory register having been verified by Audit, **the item was settled.**

21–2–95: viii) It was stated that Muhammad Saeed Durrani, Ex•FGI, had been involved in the loss and efforts were being made to effect recovery as arrears of land revenue. The Department was directed to make personal efforts for the recovery. The item was kept pending for recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly

Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

21-2-95: (ix),(x), (xi) and (xii) The Committee directed that recovery may be effected as arrears of land revenue. The items was kept pending for recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction-**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

21-2-95: (xiii), (xiv) and (xv) Recovery and record having been verified by Audit, **the items were settled.**

21-2-95: (xvi) Subject to verification of record by Audit, **the item was settled.**

21-2-95: (xvii) • (i) and (ii) Record of gunny bags having been accounted for by the Department and verified by Audit, **the item was settled.**

21-2-95: (xviii) In this case also Nawazish Ali, Ex•FGI, was involved. He had been compulsorily retired from service and case for recovery of the loss as arrears of land revenue had been referred to the District Collector, Muzaffargarh. The Department was directed to pursue the case on personal level. The item was kept pending for recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction-**

The Department shall implement the directive of the PAC dated 21 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 7.3(2): Page 65 • Misappropriation of Gunny Bags worth Rs.38,369,392 District Food Controller Vehari

For Audit observation, *see* Sr.No.5 above

21-2-95: The Committee observed that a heavy amount of Rs.38,369,392 was involved in this para, whereas the explanation of the Department and the remarks of Audit thereon were very sketchy.

The Committee directed that the Administrative Department, the Director General Audit and the Finance Department should sit together, and give detail of each part of the para, alongwith its latest position in the next meeting.

It should also be explained as to what was the price of gunny bag in market at that time and at

what rate at the time of recovery was imposed.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

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

7. Para 7.4: Page 66 • Irregular Declassification of Gunny Bags. Loss of Rs.1,653,594

Audit had observed: “At 4 centres of D.F.C. Muzaffargarh. 4768 bags lying as “A-Class” were declassified as “B-Class”. Similarly, at 12 centres 116,073 “A-Class”. bags were declassified as D-Class. This was done without justification or orders of the competent authority. The unauthorized declassification put the Government to a loss of Rs.1,653,594.”

21-2-95: Items (i) to (iii), pertaining gunny bags and record having been verified by Audit, **were settled.**

29-5-96: Item No.(IV)•Pattle Munda•17153 D•Class bags The explanation of the Department was accepted and **this item was settled.**

29-5-96: Item No.(V)& (VI)•Bakaini•526 and 26600 D•Class bags The explanation of the Department was accepted and **these items were settled.**

29-5-96: Item No.(VII)•Jatoi The explanation of the Department was accepted and **this item was settled.**

29-5-96: Item No.(VIII)•Belawala The explanation of the Department was accepted and **this item was settled.**

29-5-96: Item No.(IX)•Shaher Sultan•7544 D•Class bags The explanation of the Department was accepted and **this item was settled.**

29-5-96: Item No.(X)•Seetpur•5615 D•Class bags The Department explained that the defaulter Food Grain Supervisor had been retired compulsorily. Recovery of the loss would be effected from his pension and other dues.

The PAC directed the Department to be very vigilant about the recovery from the retiring benefits of the defaulter. The item was kept pending.

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall implement the directive of the PAC dated 29 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

29–5–96: Item No.(XI)•2427 Bags•Jatoi The Department explained that the Assistant Food Controller, responsible for the loss, had deposited Rs.14,562 with the Government which had been verified by the Audit.

The explanation was accepted and **the item was settled.**

29–5–96: Item No.(XII)•Seetpur•1248 bags The Department explained that recovery will be effected from pensionary and other retiring dues of the defaulter. The Department was directed to be vigilant in the matter of recovery.

The item was kept pending for recovery.

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall implement the directive of the PAC dated 29 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

29–5–96: Item No.(XIII)•Alipur•18933 bags The Department explained that bags were auctioned with the approval of the D.D.F, D.G.Khan as the bardana was declared as surplus. Auction money of Rs.13,500 had been deposited with the Government. The PAC accepted the explanation and the **item was settled.**

29–5–96: Item No.(XIV)•Muzaffargarh•35819 bags The Department explained that the bags were auctioned for Rs.15,000 and auction money had been deposited with the Government. Therefore, **the item was settled.**

8. Para 7.5: Page 66 – Loss of Rs.1,284,318 due to de•classification of A•Class bags into D•Class

Audit had observed: “At eight centres of the Distt. Food Controller, Vehari, a large quantity of “A-class bags numbering 71351 were Declassified and declared unserviceable without assigning any reason or sanction of the competent authority. Neither survey report was prepared nor inspection report of the competent authority obtained.”

29-5-96: The Department explained that the bags were declared unserviceable after exercising due care in the matter. A survey report was prepared and signed by the competent officer i.e. D.F.C.

The PAC observed that survey report of the un•serviceable bardana was prepared in 1987 and signed by the D.F.C. in 1993 i.e. after about 6 years. The audit was conducted in 8/1990 but the said survey report was not shown to Audit. All these facts show *malafide* in the affairs. Therefore, the Department was directed that all concerned be proceeded against to fix the proportionate responsibility and the loss be recovered from them accordingly.

The para was kept pending for recovery of loss as aforesaid. However, the PAC directed the Department to submit a detailed report explaining the criteria of declaring the bags as D•class for information of the Committee in the next meeting.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 7.6: Page 67 – Enroute Shortage of Wheat Valuing Rs.877,998

Audit had observed: “In District Food Controller Jhelum, less receipt of 341.884 M. Tons wheat valuing Rs.887,998 as compared to the quantity despatched from various stations to Jhelum during 1986 to 1989 was noticed.”

29-5-96: The Department explained that an amount of Rs.383,103 had been recovered leaving a balance of Rs.504,895 which was also being recovered.

The enroute shortage had occurred in Districts of D.G.Khan, Muzaffargarh, Layyah, Gujranwala, Sialkot, Bahawalnagar, Vehari and Sahiwal.

The PAC was not satisfied with the Departmental explanation and expressed that the defaulters should have been suspended forthwith and a police case should have been got registered against them. The Department was directed by the PAC that the persons responsible for shortage of 1000 Kg. may be exempted and those with shortage of more than 1000 Kg. may be proceeded against. If no recovery was possible, then a case may be got registered with the police against the defaulters. This action should be completed within one month. The para was kept pending.

12-6-02: The PAC in its meeting dated 29 May 1996 had directed that whereas those responsible for shortage upto 1000 kg may be exempted and the others should be proceeded against and recovery be effected from them.

This Committee examined the matter afresh and was of the view that there was no reasons to grant any exemption whatsoever. In the circumstances the Committee reviewed the decision of the PAC and **settled the para subject to the following direction–**

The outstanding amount shall be recovered and reported to the Audit for verification by 31 October 2002. Disciplinary action shall also be taken against the persons

at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

10. Para 7.7: Page 67 – Recoverable Gunny Bags Valuing Rs.721,854

Audit had observed: “36,827 “A-class” bags issued to growers were recoverable at five centres of District Food Controller Muzaffargarh. Similarly 14,734 “A-class” bags were recoverable from the staff of food Department at one centre. The bags were issued during the procurement schemes May, 1974 to April, 1986 but no action was taken to recover the same.”

29-5-96: The Department explained that an amount of Rs.70,839 had been recovered and the remaining recovery was being effected from the pay of the defaulters and where the defaulters were not in service the recovery was being pursued as arrears of land revenue.

The PAC was not satisfied with the explanation and expressed that recovery from the pay was not acceptable as it was not an affective measure and therefore, the Department should effect recovery in lump-sum. The recovery so far effected may be got verified by Audit. In cases where recovery was not possible the criminal cases should be got registered against the defaulters. The action of recovery in lump-sum and its verification by Audit be completed within one month, otherwise, a case be got registered with the police against the defaulters.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para 7.8: Page 67 – Un•Authorized Supply of Wheat Valuing Rs.477,700

Audit had observed: “Under the World Food Programme, wheat, weighing 204 M.T. was supplied to District Health Officer, Muzaffargarh during the procurement scheme, May, 1984 to April, 1987 by District Food Controller Muzaffargarh. The supply was free of cost. The orders of the competent authority or the acknowledgement of the receiving end were not obtained.”

29-5-96: The Department explained that 204 M.T. wheat was supplied to D.H.O., Muzaffargarh free of cost under the World Food Programme. Acknowledgement of the wheat supplied had been got verified by Audit. So far as the distribution of wheat was concerned, the record was available with the Health Department. Therefore, the para may be transferred to the Health Department for verification of the distribution of wheat.

The PAC decided to transfer the para to the Health Department.

12. Para 7.9: Page 68 – Damage of Wheat Valuing Rs.383,162

Audit had observed: “Wheat weighing 147.370 M.T was declared damaged by three centres of District Food Controller, Vehari on clearance of procurement scheme for the year 1986-87. In the presence of experienced staff and effective chemicals, the damage of wheat is not justified.”

29-5-96: The Administrative Secretary assured the Committee that he would personally check all the centres involved in the damage of wheat and responsibility would be fixed for recovery of loss and departmental action would also be taken against the defaulters.

The PAC directed that action to conduct enquiry, recovery of the loss and departmental action against the defaulters be completed within 3 months.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 7.10: Page 68 – Enroute Shortage of Wheat Valuing Rs.367,937

Audit had observed: “137.291 Metric Ton of Imported wheat was found less received at various P.R.Centre of DFC Faisalabad than that actually despatched from port Qasim Karachi and other centres due to which heavy losses sustained by Government. The total cost of wheat less received worked out to Rs.367,937 @ Rs.268 per hundred K.G.”

29-5-96: The Department explained that actual enroute shortage was 83.291 M.T. of wheat and not 137.291 M.T as calculated by Audit. Enroute shortage of 58.415 M.Tons occurred during transportation of imported wheat by the Railways and the Railways authorities did not accept the claim of the loss on the plea that the said transportation of wheat was on owner’s risk. Therefore, the case for write off sanction was moved to the Finance Department.

The Administrative Secretary however, stated that he may be given some time to further probe into the matter.

The PAC allowed 2 months time to probe into the matter by the Secretary personally and for report to the PAC. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 October 2002 in the light of the decision of the SDAC. The action taken in the

matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

14. Para 7.11: Page 69 – Loss of Stock Article, Tarpaulins, Sutli •Rs.359,722

Audit had observed: “Stock registers of various centres of D.F.C Vehari revealed that tarpaulins, stock articles and sutli were misappropriated during the two years procurement schemes i.e. 1986-87 & 1987-88 in the following manner.

- i) 34 tarpaulins were declared unserviceable without assigning any reason.
- ii) 22 tarpaulins were found short at one P.R. centre on physical verification at the close of procurement scheme.
- iii) 22 tarpaulins were reduced during repair.
- iv) 150 tarpaulins, 550 k.g. tat and Parti were misappropriated at one centre because the same were not carried over to the next register.
- v) 1554 kg. Sutli was less accounted for one centre.”

29-5-96: The Department explained that an amount of Rs.18,000 had been recovered and got verified by Audit. The remaining recovery was under process. The person responsible for the loss had been retired. The Department further pointed out that the retiring benefits of the defaulters were less than the recoverable loss.

The P.A.C. directed that the retiring benefits of the defaulters be adjusted against the loss and the balance be recovered as arrears of land revenue.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

15. Para 7.12: Page 70 – Wheat received but neither accounted for nor issued

Audit had observed: “Wheat weighing 137.965 M.T valuing Rs.308,271 was not taken in stock or excess issued to the Flour Mills, or was shown despatched but the supporting documents were not shown during audit of various P.R. Centres of Muzaffargarh District.”

29-5-96: The Department explained that necessary acknowledgement of the wheat received at different stations had been verified by the Audit. **The para was settled.**

16. Para 7.13: Page 70 – Excess/Free Delivery of Gunny Bags, Valuing Rs.274,594

Item-a: Audit had observed: “A quantity of 10001.275 M.T wheat was sold to Flour Mills,

which was required to be filled in 100013 gunny bags i.e. 100 k.g per bag according to the instructions of the government, instead of 105,390 Gunny bags were shown as issued by one centre of District Food Controller, Vehari. Hence 5377 bags were issued in excess. In addition cost of 56 bags issued in excess was also still recoverable.”

29-5-96: The Department explained that the standard weight of bag was 95 Kg instead of 100 Kg. However, 98,471 bags were required while 98,585 bags were issued. Hence only 114 bags were issued in excess. The cost of excess bags had been recovered. The relevant record had also been verified by Audit. **The item was settled.**

Item-b: Audit had observed: Similarly, 13636 “B-class” bags were issued to Flour Mills free of cost. No reply was given for issuing the bags free of cost. The cost of bags worth Rs.274,594 issued in excess or free should be recovered from the person at fault.”

29-5-96: The Department explained that there were instructions to issue empty bags to flour mills free of cost.

The PAC directed that said standing instructions to supply the empty bags to the flour mills free of cost be shown to Audit for verification. This item was kept pending.

12-6-02: Reiterating the decision of the PAC dated 29 May 1996, **the Committee settled the para subject to the following direction–**

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

17. Para 7.14(1): Page 71 – Despatches of Wheat Un•Acknowledged•Rs.26,684,872

District Food Controller Muzaffargarh

Audit had observed: “Wheat despatched from one centre to another within or outside the district cannot be considered as having reached the destination in correct quantity unless, it is acknowledged by the receiving centre. Wheat despatched during the procurement schemes May, 1984 to April, 1987 weighing 1,00,342.257 M.T valuing Rs.211,799,881 was shown as despatched by various centres of Distt. Food Controller, Muzaffargarh but acknowledgements of the receiving centres are awaited.”

29-5-96: The Department explained that the wheat despatched to different stations had been received and acknowledged by the concerned quarters. However, acknowledgement in respect of a small quantity of wheat valuing Rs.136,968 still remained to be verified.

The para was reduced to Rs.136,968 and the Department was directed to effect recovery of Rs.136,968 from the officer/official concerned and got verified by Audit. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

18. Para 7.14(2): Page 71 – Despatches of Wheat Un•Acknowledged•Rs.26,684,872 District Food Controller Vehari

For Audit observation, *see* Sr.No.17 above.

District Food Controller, Vehari

29-5-96: The Department explained that almost all the wheat dispatched from different centres and received by the dispatchee had been acknowledged and verified by Audit except the dispatch from Burewala to Islamabad, Burewala to Sialkot, Bini shell Vehari to Gujranwala and Vehari to N.W.F.P.

The PAC directed that either the remaining acknowledgements be obtained or recovery be effected from the officer/official at fault. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 May 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

19. Para 7.15: Page 71 – Gunny Bags Found Unfit on Opening the Bales•Loss of Rs.151,186

Audit had observed: “At three centres of Distt: Food Controller, Muzaffargarh 10,799 gunny bags were found unserviceable for use on opening the new bales during April 1986 March, 1987 and April, 1987. The bags were neither returned to the Mills concerned which supplied unserviceable bags nor responsibility was fixed for accepting unserviceable bags.”

29-5-96: The explanation of the Department was accepted and **the para was settled.**

20. Para 7.16: Page 72 – Misuse of Gunny Bags Worth Rs.120,972

Audit had observed: “At one centre of Distt: Food Controller, Muzaffargarh, wheat was filled less than the standard weight of 95 k.g. per bag. In this way, 312 A-class bags were used in excess and were therefore, converted subsequently into B-class bags. Similarly, 19850 “A-

Class” bags were used to refill wheat for supply to Balochistan whereas “B-class” bags already filled with wheat were available in stock of the centre, and empty “B-class” bags were also available. The use of “A-class” bags was unjustified.”

29-5-96: The explanation of the Department was accepted and **the para was settled.**

21. Para 7.17: Page 72 – Declassification of “A-class” Bags into “B-Class”.

Audit had observed: “Various centres of Distt. Food Controller, Vehari, declassified 10208 “A-class bags into B-class in the following manner.

- 1) 4468 “A-class” bags were available in the closing balance, but these were taken as “B-class” in the opening balance.
- 2) 3039 “A-class” bags exchanged between various centres were taken as “B-class” by the recipient centres.
- 3) 2701”A-class” bags recoverable from a dealer were accounted for a “B-class” by the centre incharge.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

22. Para 7.18: Page 73 – Misappropriation of Gunny Bags.

Audit had observed: “B-class Gunny bags, (6514) worth Rs.65,140 were shown as “D-class” the month of 3/87 and onward in the inventory register of P.R.Centre Rabwah of D.F.C Jhang. But survey report for declassification of the same was never prepared. Afterwards, these bags were shown lost and were exhibited outstanding against Ch. Munir Ahmad. The irregular declassification of bags without survey report and their subsequent loss resulted in a loss of Rs.65,140 to Government.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

23. Para 7.19: Page 73 – Non-Production of Record Rs.24,458,156.

Audit had observed: “At five centres of D.F.C, Muzaffargarh wheat was purchased weighing 11,147.600 M.T worth Rs.24,458,156 during the procurement schemes, 1984085 and 1985-86 the entire record of purchase and disposal of wheat was not produced to audit, even after a lapse of four years.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

24. Para 7.20: Page 73 – Wheat Valuing Rs.23,230 Less Taken in Stock.

Audit had observed: “The stock reports of wheat revealed that wheat weighing 8,935 M.T valuing Rs.23,230 was less taken in stock at three centres of Distt. Food Controller, Vehari as follows:

- 1) By making entries in the stock report less than the weight as per purchase bills.
- 2) By carrying forward of the closing balance of the day less than the actuals to next day.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

25. Para 7.21: Page 74 – Expenditure on Residential Telephone Beyond Prescribed Limits-Rs 9,193.

Audit had observed: “During October to December 1985 a sum of Rs.9,193 was paid out of Government funds on account of telephone calls made from the residential telephone by the Deputy Director, Food, Faisalabad, over and above the prescribed limit of 500 calls which was increased to 600 calls with effect from 1.7.88.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para**

subject to the following direction–

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

26. Para 7.22: Page 74 – Non-Deduction of Penalty-Loss of Rs.11,13,440.

Audit had observed: “In terms of wheat procurement policy issued by the Director Food, Punjab, Lahore, penalty to the extent of.

a) 10% of the transportation charges for the quantity transported less by the target date.

b) Forfeiture of security deposit was required to be imposed on the contractors who failed to complete the transportation of wheat by the date agreed between the contractor and the District Food Controller concerned. During scheme for 1989-90 District Food Controller, Jhelum was required to impose a penalty of Rs.11,13,440 on such contractors but the same was not done.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

27. Para 7.23: Page 75 – Unauthorized Excess Payment of Rs.968,932 Due to Unauthorized Enhancement of Transportation Charges

Audit had observed: “Tenders for transportation of imported wheat from Karachi to various divisions of Punjab were invited and rate of Rs.0.3269 per kilometre per ton was approved and conveyed to the respective District Food Controllers. Subsequently the Secretary Food unilaterally enhanced the rate to Rs.0.49 from Karachi to Sheikhpura in April 1989 even though there was no emergency and no justification. As such the District Food Controller Sheikhpura made payment of Rs.968,932 in excess due to enhancement of rate.”

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

Annexure Paras

1. Para No.35/1972-73 Page 231 read with Sr. No.26 of Audit Report for the Year 1989-90; Godown Shortage of Wheat-Rs.878,302
2. Para No.8(2)/1977-78 Page 231 read with Sr. No.27 of Audit Report for the Year 1989-90; Shortage of Food Grains-Rs.11,595
3. Para No.8(9)/1977-78 Page 231 read with Sr. No.28 of Audit Report for the Year 1989-90; Shortage of Food Grains-Rs.83,574
4. Para No.8(10)/1977-78 Page 231 read with Sr. No.29 of Audit Report for the Year 1989-90; Shortage of Food Grains-Rs.37,187
5. Para No.5(4)/1978-79 Page 231 read with Sr. No.30 of Audit Report for the Year 1989-90; Shortage of Stores-Rs.24,945
6. Para No.5(3)/1978-79 Page 232 read with Sr. No.31 of Audit Report for the Year 1989-90; Shortage of Stores-Rs.101,697
7. Para No.11(1)/1979-80 Page 232 read with Sr. No.32 of Audit Report for the Year 1989-90; Shortage of Wheat-Rs.5,138
8. Para No.16(2)/1980-81 Page 232 read with Sr. No.33 of Audit Report for the Year 1989-90; Misappropriation of Food Grains-Rs.75,410
9. Para No.37(1)/1982-83 Page 232 read with Sr. No.34 of Audit Report for the Year 1989-90; Theft of Store/Spare Parts-Rs.20,000
10. Para No.37(2)/1982-83 Page 232 read with Sr. No.35 of Audit Report for the Year 1989-90; Theft of Store/Spare Parts-Rs.9,900
11. Para No.42(2)/1982-83 Page 232 read with Sr. No.36 of Audit Report for the Year 1989-90; Enroute Shortage-Rs.7,681
12. Para No.43/1982-83 Page 232 read with Sr. No.37 of Audit Report for the Year 1989-90; Outstanding Recoveries-Rs.43,136
13. Para No.34(1)/1983-84 Page 232 read with Sr. No.38 of Audit Report for the Year 1989-90; Godown/Enroute Shortage-Rs.20,000
14. Para No.35(1)/1983-84 Page 232 read with Sr. No.39 of Audit Report for the Year 1989-90; Loss to Government-Rs.34,729

12-6-02: The above mentioned 14 paras had already been conditionally settled/dropped by the PAC. However, the Committee **settled the paras** with the direction that the Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directives of the PAC.

Revenue Receipts Audit

1. Para 5.1: Page 29– Loss of Government Revenue Due to Non-Deposit of Sugar-Cane (Development) Cess - Rs.32,032,360

Audit had observed: “Sugar-cane (Development) Cess to the extent of Rs.32,032,360 was not deposited by 46 sugar mills by under-valuing the sugar-cane price as shown in Annexure “A”.

In accordance with section 2 of the Punjab Finance (Amendment) Ordinance 1983 read with the Government of the Punjab, Food Department Notification No.SOF(Sugar)13(35)/64 dated 20.10.1987, the sugar-cane (development) cess was required to be deposited by the sugar mills @ 5% of the price at which the sugar mills actually buy the cane from the growers/sellers.

The minimum purchase (support) price of sugar-cane is fixed by the Provincial Food Department every year. From 1987-88 due to dezoning, the sugar-cane can be sold/bought at any price above the minimum price fixed by the government and the sugar can (Dev.) cess shall be levied \$ 5% of the price at which the mills actually buy the cane from the growers/sellers. The incidence of the cess shall be shared equally by the sugar mills and the persons selling sugar-cane to the mills.

The sugar mills enlisted in annexure referred to above had purchased sugar-cane above the minimum purchase (support) price in the shape of transport charges, subsidy and quality premium etc. which having been incurred in consequence of the purchase of sugar cane form the part of the actual price at which the sugar-cane was purchased by the sugar mills.

However, cane development cess was assessed/realized on support price fixed by the government and cess on the additional amount was neither paid by the mills nor recovered from the growers during the years 1985-86 to 1988-89. This led to short-realization of government revenue amounting to Rs.32,032,360.”

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

2. Para 5.2: Page 30 – Individual Irregularities Involving Significant Amounts are Included in the Succeeding Paras

i) Due to Not Giving Effect of Enhancement in Rate of Cess Rs.2,730,023

Audit had observed: "The rate of sugar-cane development cess was enhanced from Rs.5.60 per metric ton to Rs.8.40 per metric ton effective Ist July, 1983 vide Government of the Punjab, Law Department's Notification No.Legis3(20)/83 dated 14.12.1983 as clarified and circulated vide Government of the Punjab, Food Department's memo No.SOF (Sugar) 13(35)/4-Vol.IX dated 7th January, 1984 but it was not given effect promptly by 12 sugar mills as advised by administrative department causing short-realization of government revenue amounting to Rs.3,007,196 in the cases enlisted in annexure-"B"."

ii) Due to Calculation Error Rs.46.267

Audit had observed: "Due to computation error, sugar-cane (development) cess of Rs.46,267 was short deposited by M/s. Ittefaq Sugar Mills for the period 1.2.1984 to 15.2.1984."

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

Forestry, Fisheries, Wildlife and Tourism Department

Overview

Total Paras	Civil	Annexure	Commercial
51	28	5	18

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 1	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	Commercial: 3(xi).	1
Paras Finally Settled 31	Paras finally settled as the requisite action had been taken.	Civil: 8.3, 8.5(b), 8.5(c), 8.6, 8.7(a), 8.7(b), 8.8(a), 8.8(b), 8.11, 8.12, 8.13, 8.14, 8.16, 8.17, 8.19, 8.20, 8.21.	17
		Annexure: 1(xii), 53(i), 133(4) & (5), 49, 50.	5
		Commercial: 11, 12, 59, 60(i) 60(ii), 60(iii), 60(iv), 60(v), 62.	9
Paras Conditionally Settled 16	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same	Civil: 8.1(a), 8.1(b), 8.1(c), 8.2(a), 8.2(b), 8.4, 8.5(a), 8.9, 8.10, 8.15, 8.18.	11
		Commercial: 63, 64, 65, 66, 67.	5
Paras Pended 3	Paras pended either because the Department had not taken satisfactory action or the Department did not submit working paper.	Commercial: 9, 10, 61.	3

Discussed on 25 May 1995, 19 August 1996, 7 July 1999, and 12-13 June 2002.

Civil Audit

1. Para 8.1(a): Page 76—Illicit Removal of Forest Produce and Angle Iron Poles – Loss of Rs. 744,404 Divisional Forest Officer D.G Khan – Rs.310,568

Audit had observed: “As a result of physical verification shortage of shisham timber 1832-37 cft valuing Rs.310,568 was noticed in Rakh Bhatti Metla of Dera Ghazi Khan Forest Division during September, 1990. Felling was in progress and the above forest produce was not traceable any where. As reported by the Sub Divisional Forest Officer, Dera Ghazi Khan two forest guards were responsible for the illicit removal of timber.”

25-5-95: The Department explained that after thorough probe of the case two Forest Guards M/s Khadim Hussain and Haq Nawaz were held responsible for loss and recovery of Rs.64,910 was imposed upon them. The recovery was being effected since 11/1992 and so far Rs.7,944 were recovered. The said Forest Guards were later on compulsorily retired from service and their retiring benefits were not released to adjust the balance recovery.

The PAC directed that in serious theft cases criminal cases should also be lodged.

The para was kept pending till completion of recovery at penal rate instead of average rate.

19-8-96: The Department explained that loss was detected by the then S.D.F.O, Dera Ghazi Khan. As a result of physical checking M/S. Khadim Hussain S/o Elahi Bukhash, Khadim Hussain S/o Hasoo Khan and Haq Nawaz, Forest Guards were found responsible for the shortage of timber. A recovery of Rs.64,910 on average sale rate was calculated and imposed upon the defaulters instead of Rs.310,568 calculated by Audit on penal rate. An amount of Rs.7,944 had been recovered and shown to Audit. The defaulters were sent on compulsory retirement from service and balance recovery would be recovered form their retiring benefits. The recovery was imposed at the average sale rate in accordance with the rules of the Government on the subject and therefore, penal rate of recovery could not be applied. Criminal case against the defaulters at this belated stage was not possible. The defaulters had preferred an appeal in the Punjab Services Tribunal against the decision of their retirement.

The Department requested that in view of the position explained, the PAC may kindly review its decision dated 25.5.95 regarding filing of a criminal case and recovery at a penal rate against the defaulters.

The explanation/contention of the Department was not accepted by the PAC. The para

being sub-judice was kept pending till the decision of the Punjab Services Tribunal.

12-6-02: The Committee settled the para with the direction that subject to the decision of the tribunal, the recovery shall be effected and disciplinary action taken. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para 8.1(b): Page 76—Illicit Removal of Forest Produce and Angle Iron Poles – Loss of Rs. 744,404 Fisheries and Tourism – Rs.207,420

Audit had observed: “Similarly shortage of timber, firewood and angle iron valuing Rs.207,420 was noticed in the same forest on 13th August, 1990 and 7th October, 1990 as a result of transfer of charge between forest guards.”

25-5-95: The Department explained that after enquiry an amount of Rs.24,710 was imposed upon Mr. Muhammad Shah, Forest Guard for loss of fire wood and Angle Iron. In another case Mr. Haq Nawaz, F.G. was found guilty of theft/shortage of fire wood and a recovery of Rs.27,790 was imposed upon him. The recovery from Mr. Muhammad Shah, F.G. was being made in monthly installments. So far as Mr. Haq Nawaz, F.G. was concerned he was compulsorily retired and recovery had been shown in Form-11 to adjust the same against his pension/gratuity.

The para was kept pending till the finalization of recovery.

19-8-96: The Department explained that after inquiry recovery of Rs.24,710 was imposed upon Mr. M. Shah, F.G. and recovery of Rs.27,790 was imposed upon Mr. Haq Nawaz, F.G. The recovery was being made in monthly installments from Mr. M. Shah and so far an amount of Rs.9,450 had been recovered. Mr. Haq Nawaz, F.G. had been compulsorily retired and the recovery would be made from his retirement dues. However, he had filed an appeal in Punjab Services Tribunal against the Departmental action of retirement. The decision of the court was awaited.

The PAC directed that Administrative Secretary should personally pursue the matter for finalization of recovery and court case so that the matter is settled at the earliest. The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 19 August 1996, **the Committee settled the para subject to the following direction—**

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

3. Para 8.1(c): Page 76—Illicit Removal of Forest Produce and Angle Iron Poles – Loss of

Rs. 744,404 DFO Muzaffargarh – Rs.226,416

Audit had observed: “The stock of a sale depot in Muzaffargarh Forest Division was physically checked on receipt of a complaint against the staff regarding illicit removal of forest produce. The allegations proved correct and it was established that timber & firewood were short in the depot and the concerned staff had planned further removal of timber by marking duplicate numbers on the logs. Penalty of Rs.51,123 calculated at the average sale rate was imposed in respect of the material found short in the depot. The recovery was required to have been calculated at the rates prescribed by the Government for illicit removal of timber and firewood according to which it worked out to Rs.226,416. Special favour to the staff was against the provisions of Government orders dated December, 1986 and could result in increase of damage. The action taken by the Divisional Forest Officer regarding imposing the recovery at average rates was not accepted in the meeting of D.A.C held on 30th May, 1991.”

25-5-95: Timber and fire wood were found short in sale depot of Muzaffargarh Forest Division. The illicit removal of Forest Produce was proved. The Department explained that a recovery of Rs.51,123 was calculated on the basis of average sale rate and imposed upon the defaulting officials. The Audit was of the view that recovery should have been calculated on compensation rate which was Rs.226,416.

The P.A.C. directed that difference of recovery due to calculation on average sale rate instead of compensation rate should be effected or got it written off by Finance Department. The para was kept pending for balance recovery.

19-8-96: The Department explained that the accused officials, after observing all procedural and codal formalities, were imposed a recovery of Rs.51,123.26 to be made in installments.

The Audit pointed out that the Department had calculated the loss on the average sale rate as Rs.51,123 while the loss should have been calculated on penal rate according to which the recovery comes to Rs.226,416.

The PAC kept the para pending for further consideration in the next meeting.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

4. Para 8.2(a): Page 77–Failure of Plantations–Loss of Rs.358,000(This item Rs.118,000)

Audit had observed: “Following plantations of Dera Ghazi Khan Forest Division appeared to have been failed due to negligence of staff resulting wastage of expenditure incurred in connection with the planting and maintenance of areas:-

Forest Coupt & Area.
Kot Mithan, Cpt.

App. Expenditure.
25,26

Coup 1982-83	59 acres	118,000
Rakh Triman Cpt, Coup. 1987-88 &1989-90	14,15,17,20 &70 120 acres.	240,000
Total:-	358,000”	

25-5-95: The Department explained that loss had occurred due to negligence of field officials and recovery was being effected. The PAC directed the Department that recovery should be completed in the shortest possible time.

The para was kept pending.

19-8-96: The Department stated that Messers. Ehsan Ahmad and Liaqat Ali, Forest Guards were held responsible for the loss and penalty of Rs.59,000 was imposed on each of them. The Department further apprised the Committee that Mr. Ehsan Ahmad, Forest Guard, had since expired and the amount standing against him i.e. Rs.57,174 (Rs.59,000-1826) was written off by the Competent Authority and shown to Audit. An amount of Rs.11,100 had been recovered from Mr. Liaqat Ali Forest Guard leaving a balance of Rs.47,900 which was being recovered regularly.

The Committee directed the Department that balance recovery of Rs.47,900 be pursued vigorously to finalize the same at the earliest.

The para was kept pending for balance recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 19 August 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 8.2(b): Page 77– Failure of Plantations–Loss of Rs.358,000 (This item Rs.240,000)

For Audit observation, *see* Sr.No.4 above

19-8-96: The Department explained that two officials i.e. M/S Ghulam Qadir, Forester and Ghulam Shabbir, Forest Guard were held responsible for the loss. Recovery of Rs.21,915 and Rs.43,830 was imposed upon them respectively. An amount of Rs.28,559 had been recovered from the defaulters with a balance of Rs.37,186 as recoverable. The PAC kept the para pending for the balance recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 19 August 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

6 Para 8.3: Page 77 – Expenditure of Rs.343,400 in Excess of Provision of Funds

Audit had observed: “Against the budget provision of Rs.400,000 for 1988-89 an expenditure of Rs.743,4000 was incurred in Rahim Yar Khan Forest Division during May and June, 1989 on purchase of a pick up and a tractor with accessories.”

25-5-95: The explanation of the Department was accepted that the expenditure had been made as per provision of the approved schemes. **The para was settled.**

7. Para 8.4: Page 78 – Expenditure/Advance Payment of Rs.2,000,000 Before Issue of Administrative Approval

Audit had observed: “Against the approved estimated cost of Rs.300,000 for levelling of land in Rukh Karbuwala, a sum of Rs.1.5 million was paid as advance to A.A.E. by the D.F.O. Thal Range Management Division, Bhakkar during June 1988. Neither the scheme, under which expenditure had been incurred, had been approved upto June, 1988 nor administrative approval had been issued till that date. Approval of Finance Department for making advance payment had also not been obtained. The A. A.E submitted a bill for Rs.422,372 which included carriage charges amounting to Rs.125,372 which appeared exorbitant. the balance amount of Rs.1,077,628 had not been received back from the Agriculture Department.”

25-5-95: The Department explained that recovery had been effected from the Agriculture Department.

The para was settled subject to verification of recovery by Audit.

19-8-96: The Department explained that an amount of Rs.400,000 had been recovered and the Agriculture Department was being pressed for the refund of balance amount of Rs.719,852. The payment to Agriculture Department was a procedural irregularity.

The PAC observed that previously the Department informed on 25.5.95 that recovery had been effected. Accordingly the para was settled subject to verification of the position by Audit. Now, according to the explanation of the Department the major portion of the recoverable amount was still outstanding.

The PAC directed that Forest Department, Finance Department, Agriculture Department and Audit should jointly look into the matter to ascertain as to why the excess payment was made to the Agriculture Department without administrative approval of the scheme.

The enquiry should be completed within one month and result reported to the PAC.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

implementation of the directive of the PAC.

8. Para 8.5(a): Page 79 – Shortage of Store Articles Valuing Rs.181,843 (This item Rs.52,103)

Audit had observed: “Shortage of firewood and planting material valuing Rs.75,623 was noticed in Bahawalpur Forest Division during audit for the years 1989-90 & 1990-91. The shortage was brought to the notice of Forest Department during April, 1991 and discussed in a meeting of DAC on 30th May, 1991. It was explained that the concerned staff had been directed to deposit Rs.52,103 while the remaining shortage of firewood was due to retail sale of firewood quota to the staff and was within the permissible limit of 5%. Details of recovery of Rs.52,103 have still not been intimated.”

25-5-95: The Department explained that disciplinary action was initiated against the defaulters.

The PAC directed that recovery of loss and disciplinary action might be completed at the earliest. The para was kept pending.

19-8-96: The Department explained that out of the total amount of Rs.52,103 an amount of Rs.20,940 had been recovered and verified by Audit. A further amount of Rs.10,253 had also been recovered which would be shown to Audit for verification. Now, a balance of Rs.20,910 was left as recoverable. The defaulter was censured besides effecting recovery from him. The recovery would be completed upto 12/97.

The PAC directed that recovery be completed in shortest possible time and get it verified by Audit. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 19 August 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 8.5(b): Page 79 – Shortage of Store Articles Valuing Rs.181,843 (This item Rs.73,750)

Audit had observed: “Similarly shortage of various store articles valuing Rs.234,990 was pointed out in Muzaffargarh Forest Division during audit for the year 1988-89.”

25-5-95: The Department explained that out of actual recoverable amount of Rs.62,829 an amount of Rs.39,503 had been recovered. The PAC reduced the para to balance amount of Rs.23,325 and kept pending for final recovery.

19-8-96: The Department explained that actual balance recovery was Rs.13,442 instead of Rs.23,325. The same had been recovered and got verified by Audit. Accordingly, **the para**

was settled.

10. Para 8.5(c): Page 79 – Shortage of Store Articles Valuing Rs.181,843 (This item Rs.55,990)

Audit had observed: “Store articles valuing Rs.55,990 were shown short in the stock of Rawalpindi South Forest Division.”

25-5-95: The Department explained that actual recovery of Rs.50,790 has been imposed on two Forest Guards. The PAC directed the Department that along with the recovery the defaulters might be proceeded against under E & D Rules at the earliest.

The para was settled subject to recovery, disciplinary action and verification of the same by Audit.

19-8-96: The Department stated that the actual recoverable amount was Rs.50,790 which had been recovered and got verified by Audit. **The para was settled.**

11. Para 8.6: Page 79– Less Realization of Sale Proceeds of Fishing–Rs.72,450

Audit had observed: “Government sustained a loss of Rs.74,450 during 1987-90 due to decrease in revenue received through Asstt: Director Fisheries, Sargodha on account of auction of fishing right for different waters. For instance, Fishing rights for the River Jhelum for the year 1987-88 were auctioned for Rs.70,000 and for subsequent year 1989-90, it was auctioned for Rs.40,000 as sufficient number of bidders did not participated in auction due to lack of wide publicity. Had wide publicity been given more bidders would have participated and loss would have been avoided.”

25-5-95: The Department explained that proper publicity was made for auction of fishing rights and before opening of auction attendance of the participants was taken and kept in record. The explanation of the Department was accepted and **the para was settled.**

12. Para 8.7(a): Page 80 – Loss Due to Damage or Shortage of Planting Material Rs.68,814 (This item Rs. 51,034)

Audit had observed: “Stumps and seed valuing Rs.51,034 (i.e.Rs43,655 and Rs.7,379 respectively) were constantly shown as balance in stock of Layyah Forest Division since long. Either the material was short or had become unfit for planting due to non-disposal within a reasonable time on account of negligence of the concerned staff.”

25-5-95: The shortage pointed out by Audit had been reconciled/made good. **The para was settled.**

13. Para 8.7(b): Page 80 – Loss Due to Damage or Shortage of Planting Material Rs.68,814 (This item Rs.17,780)

Audit had observed: “Similarly 177,800 stumps valuing Rs.17,780 were being shown in balance for more than two years in the stock of Shahpur Forest Division. The stumps, if available in store, had become unfit for planting.”

25-5-95: The Department explained that the actual recovery of Rs.17,780 had been made from the official at fault and verified by Audit. **The para was settled.**

14. Para 8.8(a): Page 80 – Overpayment of Rs.66,000 (This item Rs.34,532)

Audit had observed: “A sum of Rs.34,532 was paid by Rawalpindi South Forest Division during 1989-90 in excess of the amounts payable for works done in accordance with the Schedule of Rates, 1970.”

25-5-95: The Department explained that full recovery had been effected and verified. **The PAC settled the para.**

15. Para 8.8(b): Page 80 – Overpayment of Rs.66,000 (This item Rs.31,870)

Audit had observed: “An expenditure of Rs.86.894 was incurred during 1989-90 in Bahawalpur Forest Division in connection with the raising of 227 acres linear wood lots under the scheme strategy for Farm/Social Forestry in the Punjab. According to appendix 111 of the scheme the rate of Rate of Rs.242 per acre (including value of 500 plants=Rs.180) had been provided for expenditure from Government account. Thus against the provision of an expenditure of Rs. 54,934 including cost of plants an expenditure of Rs.86,804 payment of Rs.31,870 in excess of the provision occurred during 1989-90 and was reported to the Forest Department during April, 1991. It was replied by the Department on 30th May, 1991, in the meeting of DAC that the Divisional Forest Officer using his discretion had allowed the rate of planting according to approved Schedule of Rates, 1974 and that the subsidy prescribed was not exceeded as prescribed in appendix 111 of the scheme. The reply submitted was not relevant as far as the rate of planting charges was concerned. It was not correct that the amount of subsidy did not exceed because the cost of plants was not included while working out the expenditure incurred by the Government. Therefore, the reply submitted before the D.A.C. was not correct. Responsibility on account of overpayment be made good from the persons held responsible.”

25-5-95: The explanation of the Department was accepted and **the para was settled.**

16. Para 8.9: Page 81– Recovery of Outstanding Rs.65,232

Audit had observed: “Recovery of Rs.65,232 was imposed upon various officials of Shahpur Forest Division at the instance of audit and noted in form 11 for watching the recovery. No deduction on this account was being made for the last seven years. The omission in this respect was brought to the notice of Forest Department during Feb, 1991 and discussed in a meeting of D.A.C. on 30th May, 1991. the Department contended that some officials had

since retired and other had been transferred to Canal Forest Division. The matter had not been pursued properly because Canal Forest Division had been established w.e.f. 1st July, 1988 and recovery had not been effected from the retired Govt. servants while they were in service. The recovery could have been effected from the pension provided timely action had been taken. Appropriate action may please be taken against persons held responsible and recovery made from them without further delay.”

25-5-95: The Department explained that an amount of Rs.18,351, leaving as balance recovery of Rs.46,881, has been recovered from the defaulters.

The para was kept pending for balance recovery.

19-8-96: The Department informed that recovery was being effected from the pay of the concerned officials in monthly installments and would be completed in 48 months.

The para was kept pending till the completion of recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 19 August 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

17. Para 8.10: Page 82 – Theft of Machinery Valuing Rs.33,000

Audit had observed: “Two china peter Engines 12 H.P. fitted on iron trolley valuing Rs.33,000 were stolen from Kaloor Kot Range of Bhakkar Forest Division during 1989. A case was registered with the police during March, 1989 but no progress had been reported upto May, 1991. Departmental inquiry to fix the responsibility for the theft had not been conducted.”

25-5-95: The Department explained that a fresh enquiry against all the Range Staff has been initiated and accordingly a disciplinary case had been started to fix responsibility for loss and recovery of the same.

The PAC directed to make vigorous efforts for recovery, otherwise a write off case might be moved to Finance Department.

The para was kept pending for recovery/write off by Finance Department.

19-8-96: The Department explained that departmental inquiry was conducted. As per findings of the enquiry no staff member was found responsible. Therefore, a reference to the Finance Department had been made for write off sanction of the loss and decision was awaited.

The para was kept pending for the write off sanction of the loss by Finance Department.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 19 August 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly

Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

18. Para 8.11: Page 82 – Lease Rent Not Recovered from Mining Contractors– Rs.31,312

Audit had observed: “A sum of Rs.37,623 was shown recoverable from various mining contractors on account of lease rent from 1978 to 1990 in Jhelum Forest Division.”

25-5-95: The Department explained that the entire amount had been recovered. **The para was settled.**

19. Para 8.12: Page 82 – Non-Recovery of House Building Advance Rs.27,360

Audit had observed: “Housing Building Advance amounting to Rs.27,360 was drawn by the Deputy Director, Fisheries, Sargodha during November, 1987 in favour of an Office. But contrary to Rule 10.16 (vi) of P.F.R. Vol.I neither the mortgage deed nor sanction was produced to audit. Further, neither the recovery was effected nor it was shown in the L.P.C. issued to the official on his transfer to Lahore.”

25-5-95: The Department explained that an amount of Rs.11,372 had been recovered and recovery was continuing @ Rs.228 P.M. from the salary of the official.

On the assurance of the Department that the remaining amount shall be recovered, the PAC settled the para.

20. Para 8.13: Page 83 – Expenditure Above the Approved Rates Rs.21,241

Audit had observed: “An expenditure of Rs.71,804 was incurred during May and June, 1990 in Chakwal Forest Division on account of labour charges and cost of material consumed in connection with the construction of forest guards/foresters quarters. Neither detailed estimates duly approved nor technical sanction of the competent authority were produced at the time of audit. It was noticed that the cost of work done, according to composite schedule of Rates 1979 with 70% premium worked cut to Rs.50,563, and as such an excess expenditure of Rs.21,563, had been incurred.”

25-5-95: The full recovery was effected and verified by Audit. **The para was settled.**

21. Para 8.14: Page 83 – Misuse of Vehicle Purchased for Research Work

Audit had observed: “Vehicle No. LHK-8457 purchased for research work mostly remained in the use of Minister of Forest, Wild Life and Fisheries without any orders of the competent authority, reasons and justification. The Minister had already been provided with a vehicle by the S&GAD Department.”

25-5-95: The explanation of the Department was accepted and **the para was settled.**

22. Para 8.15: Page 84– Recovery Outstanding Rs.3,303,562

Audit had observed: “At the end of army exercise in November & December, 1989, damage of forest and forest produce to the extent of Rs.3,303,562 was reported by various field officers of Bhakkar Forest Division attributing the same to the army operation.”

25-5-95: The PAC directed the Department that balance amount of Rs.33,019 might be got written off by Finance Department. The para was kept pending for write off sanction by Finance Department.

19-8-96: The Department explained that as per directive of PAC dated 25-5-95 a reference was made to the Finance Department to obtain the write off sanction of the balance amount of Rs.33,019. The decision of the Finance Department was awaited.

The PAC directed the Administrative secretary to pursue the matter with Finance Department at personal level so that the write off sanction could be finalized early.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 19 August 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

23. Para 8.16: Page 84 – Irregular Expenditure of Rs.897,308

Audit had observed: “In the office of the Chief Conservator of Forests, Central Zone, Lahore an expenditure of Rs.825,000 was incurred during December, 1989 on the purchase of a Pajero 5 doors Turbo super Wagon for the use of Minister of Forest, Wild Life and Fisheries Department. The purchase out of Forest Funds was irregular as under the Privileges Act the Minister was entitled to the use of one car only at government expense to be provided by the S&GAD, Government of the Punjab. Purchase of Pajero was against the Govt. Policy circulated vide No.To(S&GAD)1-2/87, dated 2.12.1987.”

25-5-95: The explanation of the Department was accepted and **the para was settled.**

24. Para 8.17: Page 84 – Irregular Withdrawal of Money Without Requirement Rs.418,500

Audit had observed: “A sum of Rs.418,500 was drawn from treasury by the Divisional Forest Officer, Jhelum and paid to Buildings Department during June, 1990 for construction of a tourist cottage. Neither plan/entailed estimates had been approved or technical sanction obtained nor had the site been selected upto October, 1990. The amount had been drawn without requirement to avoid lapse

of funds against the provision of rule 2.10(g)(5) of PFR Vol-I.”

25-5-95: The Department explained that the total amount of Rs.916,000 deposited with the Buildings Department for certain Civil Work had been got refunded from the Buildings Department and deposited into the treasury under guidance of Finance Department. The explanation of the Department was accepted and the para was settled subject to verification of the record by Audit.

19-8-96: The Department explained that as per directive of PAC dated 25-5-95 all the relevant record had been shown to Audit.

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

25. Para 8.18: Page 85 – Loss Due to Theft Rs.70,466

Audit had observed: “In a range/sub-division under the administrative control of Divisional Forest Officer, Gujranwala sheesham trees, wood etc. worth Rs.70,466 were reported stolen during 87-88 & 88-89. The cases had been reported to the police authorities but had neither been pursued nor any departmental action taken to fix responsibility for the loss.”

25-5-95: Recovery of Rs.500 had been made and verified. The Department explained that all the offenders in various theft cases have been acquitted by the Court for lack of evidence against them. The para was settled subject to the write off the balance amount of Rs.69,966 by the Finance Department, and its verification by Audit.

19-8-96: The Department explained that four cases involving the theft of wood valuing Rs.69,966 could not succeed in the court due to non appearance of the prosecution witnesses and non pursuance by the field staff. As the loss had occurred due to the negligence of the staff, therefore, these cases were not fit for the write off under the Financial Rules. Therefore, the Conservator of Forest, Lahore, Circle, had been directed to fix responsibility and to proceed against the concerned staff under E & D Rules.

The PAC directed that defaulters might be proceeded against for disciplinary action and recovery of loss. The action should be completed within shortest possible time.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 19 August 1996 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

26. Para 8.19: Page 85 – Office Building Rent Paid on the Basis of A Bogus Assessment Certificate– (Rs.33,548)

Audit had observed: “A sum of Rs.33,548 was paid by Deputy Game Warden, Research and Civil

Division, Lahore on account of rent of office building of Ground Floor of 17-A Main Road, Gulshan Ravi, Lahore for the period from 10th December, 1989 to June, 1990 @ Rs.5,000 per month. It was confirmed by the Excise & Taxation Officer, Lahore that the assessment certificate on the basis of which rent was paid to the owner of house was bogus. In accordance with the provisions of item No.3(b)(v) of second schedule to the Delegation of Powers Rules, 1983 either the rent should be equal to the rent assessed by the E&T Department or the rent to the paid is made the basis for the assessment of property tax by the Excise & Taxation Department. The payment of rent of office building was, therefore, irregular because both the conditions were not fulfilled due to the bogus certificate.”

25-5-95: The para was settled subject to the verification of assessment certificate issued by the Excise and Taxation Department by audit.

19-8-96: The Department explained that in compliance with the directive of PAC dated 25-5-95 the assessment certificate issued by the E.T.O. concerned (E & T Department) was shown to Audit.

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

27. Para 8.20: Page 86 – Doubtful Expenditure on Purchase of POL Amounting to Rs.25,540

Audit had observed: “In the Office of Deputy Director, Fisheries (Hatcheries), Rawalpindi an irregular expenditure of Rs.25,540 was incurred during 1/81 to 5/82 on the purchase of POL for vehicles not on his strength. Moreover, the log books of the vehicles were not produced to audit for verifying the authenticity of the expenditure.

Audit advises that the irregular purchase of POL may be got regularised and necessary action taken against those found responsible for committing the irregularity.”

25-5-95: Explanation of the Department was accepted and **the para was settled.** However, the PAC directed that such practice of POL purchase should not be repeated in future.

28. Para 8.21: Page 86 – Shortage of Stores Rs.13,252

Audit had observed: “The store register showed 818 Kil gram barbed wire worth Rs.13,252 was short in the stock. Strange enough the shortage was not detected during annual physical verification of stock or at the occasions of transfer of charge of the store.”

25-5-95: The account of store had been verified by Audit. The Administrative Secretary assured that he would personally look into the matter to ascertain as to why the record/store was not shown at the time of Audit. **The para was settled.**

Annexure Paras

1. Para 1(xii)/1963-64 read with Sr. No. 40 Page 298- Outstanding Government Dues (Rs.528,177)

25-5-95: The para had already been settled by the PAC in its meeting held on 17-4-1982.

2. Para 53(i)/1964-65 read with Sr. No. 41 Page 298-Outstanding Government Dues (Rs.206,700)

25-5-95: The para had already been settled by the PAC in its meeting held on 17-4-1982.

3. Para 133(4)&(5)/1967-68 read with Sr. No. 42 Page 298- Shortage/Loss of firewood and charcoal Rs.15,336 and Rs.3,298)

The paras had already been settled by the PAC in its meetings held on 28-11-1991 to 30-11-1991.

4. Para 49/1982-83 read with Sr. No. 43 Page 298–Embezzlement of Rs.136,173

25-5-95:The para had already been settled by the PAC in its meeting held on 28-11-1991 and 30-11-1991.

5. Para 50/1982-83 read with Sr. No. 44 Page 298-Excess Charges on general Clearance (Rs.402,548)

25-5-95: The para had already been settled by the PAC in its meeting held on 28-11-1991 and 30-11-1991.

Commercial Audit

1. Para 3(xi) Page 5 – Government Jallo Rosin and Turpentine Factory, Lahore 1988-89 to 1990-91

13-6-02: The PAC noted the contents of the Audit para and directed that the Departments should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that the accounts are compiled and submitted to Audit in time.

2. Para 9: Page 17 – Maintenance Charges Paid for Helicopter. Non commissioning into Service – Rs.9.216 million.

Audit had observed: “The Tourism Development Corporation of Punjab Ltd. made an agreement on October 9, 1989 with a private party for the purchase of one Bell helicopter at a cost of Rs.150 million. The helicopter was to be delivered by January, 1990. TDCP intended to use it for chartered flights of tourists groups in the Northern Areas. Anticipating receipt of the helicopter on January 1, 1990, the Corporation made another agreement on January 4, 1990 with M/s. Punjnad Aviation (Private) Ltd. for

furnishing flight, maintenance, and management services for the helicopter at monthly flight maintenance cost of Rs.1.152 million, subsequently made effective from January 1, 1990 for five years.

The helicopter was finally received on July 22, 1990. The helicopter was never used by TDCP for the stated purpose and is reported to be in use of the Provincial Government. The total expenditure upto August 31, 1990 amounted to Rs.9.216 million paid to Punjnad Aviation (Pvt.) Ltd. which has gone waste due to (i) late receipt of helicopter on July 22, 1990 instead of January 1, 1990 from private party (ii) execution of agreement for monthly flight maintenance of the helicopter in anticipation of its receipt with effect from January 1, 1990 and (iii) non operation of helicopter service even after its receipt.”

7-7-99: The Department explained that a Helicopter was procured with the approval of Government of Punjab. The delivery of the Helicopter was expected by 1-1-90. The necessary logistic infrastructure was required before its delivery e.g. hiring of Pilot and crew members, their necessary training, earmarking of parking area and its safety arrangements etc. For this purpose an agreement for operation and maintenance was executed with an aviation firm. The delivery was delayed, but the expenditure on maintenance & operation crew once engaged was unavoidable which resulted in additional expenditure before delivery of the helicopter. The helicopter was exclusively used by the Punjab Government and therefore, commercial operations could not be started. The administrative and operational expenses were borne by the Punjab Government and not by the T.D.C.P. The Helicopter had been taken over by the Punjab Government.

The PAC constituted a Sub Committee consisting of (i) Ch. Talib Hussain, MPA (ii) Dewan Syed Ashiq Hussain, MPA and (iii) Mr. Usman Ibrahim, MPA. The Sub Committee would look into the following matters and submit its report to the main PAC for final decision:-

- (i) To examine late taking over of helicopter i.e. on 22.7.90 instead of January, 1990.
 - (ii) Examination of agreement made with M/s Punjnad Aviation (Pvt) Ltd. for furnishing flights maintenance and management services for the helicopter at monthly flights maintenance.
 - (iii) Non operation of helicopter service even after the helicopter had been taken over.
 - (iv) Reasons as to why the helicopter service was not operated by the T.D.C.P. and subsequently the helicopter had to be transferred to the Punjab Government.

The Para was kept pending.

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

3. Para 10: Page 18 – Sports Boats Left idle- Rs.8.621 million Cost

Audit had observed: “TDCP imported sports boats worth Rs.8.621 million in 1989 but they have not so far been utilized for the purpose for which they were imported. Although more than one year has elapsed since the date of import yet the sites for the above boats have not been selected and no benefit has been derived from the heavy investment.”

7-7-99: The Department explained that within one year all the sports boats had been received and put into operation at River Ravi, Hiran Minar, Kallar Kahar, Simly Dam and Chiniot. T.D.C.P. had generated an income of 6.00 million so far from these water sports equipments. These water sports were under operation and had been earning revenue.

The PAC also referred this para to the Sub Committee constituted against para 9 above to look into the matter as to why the Boats had been purchased without proper planning and availability of site. The para was kept pending.

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

4. Para 11: Page 18 – Un-necessary Appointment of Local Consultants – Loss of Rs.383,000

Audit had observed: “TDCP appointed, without Press Tender, a local consultant on August 26, 1989 for two years for promoting foreign tourism in Pakistan. In addition to a retainership fee of Rs.6,500 p. m., the consultant was entitled to Rs.8,000 p.m. for covering expenses on travel and lodging and one chauffeur-driven car maintained at Corporations expenses on an average cost of Rs.8,000 p.m. Thus, the consultant was being paid Rs.22,500 p.m. Such a fee is not reasonable as the Corporation has also engaged consultant on retainership fee basis between Rs.4,000 and Rs.6,000. The proposals, plans and achievements, if any, prepared by the consultant during one year of service could not be produced to audit on demand. Under these circumstances, payment of consultancy charges at Rs.22,500 p.m. for services needed very occasionally seems to be an undue favour to the consultant and thus TDCP has sustained a loss of Rs.382,500 during seventeen months.”

7-7-99: The Department explained that as per policy of the Government, the Corporation focused its attention on promotion of foreign tourism and services of Mr. Ahsen Iqbal, being an experienced and qualified person in the field of marketing had been engaged. Chief Minister Punjab as Chairman/Chief Executive of the Corporation was Competent Authority to appoint the consultant. The PAC accepted the explanation and **the para was settled.**

5. Para 12: Page 19– Irregular Payment of Conveyance Allowance of Rs.86,400

Audit had observed: “In TDCP motor cycles/cards were allocated to officers and entire expenses on account of repair and maintenance, POL etc. were borne by the Corporation. However, conveyance allowance at Rs.600 p.m. and Rs.1200 was also being paid to the Tourism Officers and Deputy General Manager respectively during the years 1988-89 and 1989-90. Drawal of conveyance allowance by the officers availing facility of motor cycle/car at Corporation’s expense is irregular and resulted in an irregular payment of Rs.86,400 during the above two years.”

7-7-99: The Department explained that the vehicles were used beyond the office hours due to transport and other multifarious touristic activities. Therefore, the repair and maintenance expenses was the responsibility of the Corporation. The Conveyance Allowance paid to the employees was part of the salary. The transport used by the officers was strictly for the official duties hence no recovery was due from them.

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

6. Para 59: Page 45 – Working Results

Audit had observed: “The Company was incorporated on 10 December 1986 as a public limited company with the main object of promotion and development of tourism industry in the Province of Punjab. The Company sustained losses of Rs.6.617 million in 1987-88, Rs.1.701 million in 1988-89, Rs.2.080 million in 1989-90 million in 1990-91”; viz–

(i) Income of the Corporation increased by 24.80% whereas direct expenses disproportionately increased by 28.19% which resulted in increase in gross loss by 78.75% (Rs.0.975 million) in 1990-91 as against the previous year 1989-90. The Corporation has been perpetually running into losses since 1987-88 and even could not be able to recover directed expenses upto the year 1990-91 which needs to be explained. Steps already taken and intended to be taken for optimum utilisation of Company’s resources and avoiding gross losses in future, need also to be intimated.

(ii) The Corporation sustained operating loss of Rs.8.196 million in 1989-90 which nearly doubled and increased to Rs.15.438 million in 1990-91 which was mainly due to increase in administrative and general expenses by 88.92% (Rs.6.086 million). Abnormal increase in these expenses needs to be explained/justified and controlled in future.

(iii) In the year 1990-91, the management of the Company, in order to make a more realistic disclosure of the results of the Company’s operational activities, decided to change the basis of allocation to administrative and general expenses except for allocation of vehicle running expenses. The charge to administrative and general expenses had been made after accounting for allocation of expenses to tourism publicity and promotion. Irrespective of the change of the basis of allocation of expenses, total income of the Corporation amounted to Rs.23.209 million (Rs.18.648 million in 1989-90) against direct and operating expenses of Rs.38.648 million (Rs.26.844 million in 1989-90) resulting in operating loss of Rs.15.439 million in 1990-91 (Rs.8.196 Million in 1989-90). The abnormal increase in the gap between income and expenses indicates that the financial state of affairs of the Corporation have reached

to an alarming level, which need to be taken note of seriously and for narrowing the gap through corrective and administrative measures. Although a Corporation has not been formed to earn profit yet it should not incur, any losses. Instead it should be run on no profit/loss basis.”

7-7-99: The Department explained that the TDCP was required to promote and develop the tourism industry and therefore, its role was of promotional nature. Despite the inflationary pressures and fierce competition in the market TDCP had steadily increased its revenue for the year 1990-91. The previous losses were due to the huge surplus staff and unnecessary transport operations and to get rid of these expenses 300 employees had been retired under the Golden Handshake Scheme. The worn out buses and surplus vehicles had been disposed of in open auction. So the huge losses were eliminated/reduced. Other administrative expenditures were also reduced. New sources of income were explored. Due to all these measures the financial state of the TDCP was much healthier and it had become a self sufficient corporation.

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

7. Para 60(i): Page 47 – Transfer of Patriata Chairlift Project

Audit had observed: “As explained in note 12 to the accounts for the year 1990-91, the Corporation received an amount of Rs.105 million in 1988-89 from the Government of the Punjab for Patriata Chairlift system with the condition that the income of the project will be payable to Government of Punjab till the settlement of terms and conditions of loan. In the light of aforesaid understanding the Corporation is treating the above project as belonging to that of the Government of Punjab and funds received either as loan or as grants have been adjusted against the construction costs and indirect expenses incurred by the Corporation on this project and not shown as Corporation’s work-in-progress.

7-7-99: The Department explained that the Government had released an amount of Rs. 105 million for Patriata Chairlift Project as it had a key role in development of Murree area. However, later on the Government transferred this project to TDCP in 1994-95 which had been accounted for accordingly.

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

8. Para 60(ii): Page 47 – Settlement of Accounts with A.C. Muree

Audit had observed: “In 1989-90 an amount of Rs.30,716,887 was transferred to the Corporation from the funds of Assistant Commissioner, Murree on the instructions of the Chief Minister of Punjab, as the Corporation was short of funds, out of which the Corporation repaid an amount of Rs.19.700 million to Assistant Commissioner in 1990-91. The balance amount, which the Corporation intends to treat as grant in aid, has been set off against the expenses incurred on the Chair lift system, Patriata. However, no formal approval regarding aforesaid treatment has been obtained from the Government of Punjab and the Corporation is stated to have executed the project on behalf of the Government of Punjab. The matter needs to be expedited and formal approval as regards treatment of funds as grant-in-aid be obtained and terms and conditions as regards loan of Rs.105 million be got settled at an early date.

7-7-99: The Department explained that funds to the tune of Rs.30.716 million available with A.C. Murree were transferred to TDCP with the approval of Government to expedite the development work. Against the said amount the Corporation had repaid the amount of Rs.19.70 million to the A.C. Murree. The remaining amount was never envisaged to be returned and was therefore, treated as a tacit approval of its retention by TDCP.

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

9. Para 60(iii): Page 47 – Leasing out of Chairlift Project

Audit had observed: “The project was leased out to a private party during 1990-91 and lease income of Rs.2.000 million has been shown in the accounts.....It is evident from the above that an amount of Rs.184,882 million has been incurred/invested on the project upto 30 June, 1991 against which lease income amounted to Rs.2.000 million which is 1.08% of total investment. TDCP is a commercial organization and is maintaining/keeping its accounts and running its business/activities on commercial basis. Like wise borrowing cost of funds provided by the Government of Punjab if taken @ 15% comes to Rs.27.732 million per annum. Therefore, the Government of Punjab or TDCP in either case has sustained a loss of Rs.27.732 Million (27.732-2.000) during the year 1990-91 instead of earning any profit. This loss is huge one and needs to be investigated at a higher level. Necessary steps may also be taken for minimizing/avoiding such losses. Poor rate of return on a such a heavy investment needs to be justified. Name of the private party to whom the project has been leased out, its terms and conditions, competitive rates/bids on the basis of it the said private party was selected may be pinpointed.

7-7-99: The Department explained that in the beginning the project was leased out on provisional basis. However, its lease fees was significantly increased. Later on, the Chairlift Project started generating handsome revenue on capital investment. It was no more a low yield project.

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

10. Para 60(iv): Page 48 – Recovery of Interest from Government

Audit had observed: “The shortage of funds (provided by the Government of Punjab) over expenditure incurred by the Corporation amounting to Rs.66.865 million as on 30 June 1991. This means that the Corporation has incurred this excess amount out of its own resources/borrowing. However, the Corporation has not claimed any borrowing cost or mark up charges from the Government of Punjab. The borrowing cost of the excess amount if taken @ 15% per annum, works out to Rs.10.030 Actual amount on this account needs to be worked out and claimed from the Government of Punjab.

7-7-99: The Department explained that entire amount incurred by the TDCP on the chairlift project had since been adjusted against the Government loans/grants and therefore, no excess expenditure was recoverable from the Government. Therefore, the question of recovery of interest did not arise.

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

11. Para 60(v): Page 48 – Recovery of Execution Charges from Government

Audit had observed: “The Patriata Chair lift project is stated to have been executed on behalf of the Government of Punjab by TDCP but the Corporation has not claimed/charged any execution fee/charges and seems to have rendered services free of cost. Expenditure incurred on the project stood at Rs.184.882 million. Therefore, the Corporation has lost income of Rs.9.244 million @ 5% of total cost of the project by not claiming any execution fee/charges. The position needs to be explained and justified.”

7-7-99: The Department explained that with the approval of Board of Directors, the Project had been considered as TDCP Project and therefore there seemed to be no justification to charge the execution fee to the Government.

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

12. Para 61: Page 48 – Investment in Sheraton Tower Project

Audit had observed: “Long term investment amounted to Rs.24.832 million as on 30 June 1990 and 30 June 1991, which represented the cost of shops acquired in the Sheraton Tower Project which is at present stated to be under construction. This amount was provided by Punjab Government. Considerations leading to investment in the above project and financial and tourism benefits intended to be derived therefrom need to be pinpointed and elaborated. A copy of the agreement with Sheraton Tower Project Management may also be provided.”

7-7-99: The Department explained that the matter was sub-judice in Lahore High Court Lahore.

The PAC directed the Department to pursue the case in the court vigorously for obtaining an early decision. The para was kept pending.

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

13. Para 62: Page 48 – Capital Work in Progress

Audit had observed: “Capital work-in-amounted to Rs.126.818 million as on 30 June, 1990 and Rs.70.336 million as on 30 June, 1991. Need for early completion of the projects and capitalization of the cost is stressed upon the Management. Name of the projects and stage of completion and capitalization of each of them needs also to be indicated.”

7-7-99: The Department explained that project appearing as capital work in progress i.e. Jallo Park, Kallar Kahar, Chattar Bagh and Chiniot had since been completed and capitalized.

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

14. Para 63: Page 48 – Payment of Changa Manga Resort

Audit had observed: “An amount of Rs.1.500 million as on 30 June, 1991 was payable to Forest, Wildlife, Fisheries and Tourism Department, Government of Punjab since 1987-88. The payment was to be made out of the lease rentals of Changa Manga Forest Lodge to the extent of 75% of the annual lease rent, till the full settlement of the aforesaid loan. Non payment of any amount out of the lease rentals, if any, of the said Lodge needs to be explained.”

7-7-99: The Department explained that Changa Manga Resort was transferred to the TDCP and an amount of Rs. 1,500,000 was to be paid by the TDCP to the Forest Department. The Chief Minister directed the TDCP to make it a tourist attraction point. Accordingly a plan worth Rs.33.8 million had been put into execution. The said plan had not yet been completed and no revenue had been earned. Due to non-commissioning of the said plan the payment to the Forest Department could not be made.

The PAC **settled the para** subject to payment of Rs.1,500,000 to the Forest Department.

15. Para 64: Page 48 – Lease of Forest Land

Audit had observed: “Construction and development costs as on 30 June 1991 shown under work-in-progress, included certain projects on which expenses amounting to Rs.2.430 million have already been incurred but the land has not been transferred or leased out to the Corporation so far. Name of these main projects may be pinpointed and progress of transfer or lease of land intimated.”

7-7-99: The Department explained that most of the projects had been constructed on the land of Forest Department which was also the Administrative Department of TDCP.

A summary had been sent to the Forest Department to complete the lease deed of the land in favour of TDCP.

The PAC directed the Department to finalize the case of lease agreement of land finalized with the Forest Department as early as possible.

The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

16. Para 65: Page 49 – Conversion of Grant in Aid into Loan

Audit had observed: “(i) Long term loans from the Government of the Punjab for publicity and promotion expenses comprised of the following:

	<u>1990-91</u> Rs. (m)	<u>1989-90</u> Rs. (m)
Released in 1986-87	19.936	19.936
Released in 1987-88	75.700	75.700
Released in 1988-89	10.000	10.000
Released in 1989-90	<u>78.000</u>	<u>78.000</u>
	183.636	183.636

Interest @ 14.66%, 14% and 14.84% per annum is payable for the loans released in 1986-87, 1987-88 and 1988-89 respectively. However, neither the loans installments were repaid nor provision for interest amounting to Rs.66.001 million has been made in the accounts. Had this been done, the losses of the Corporation would have further risen to that extent. No terms as to the repayment and rate of interest has been agreed with Government for loans released in 1989-90 and therefore no interest has been provided in the accounts...The date of making proposal to the Government of Punjab and further/latest developments of the case need to be stated along with reasons for delay in getting requisite approval.

(ii) Expenses amounting to Rs.48.232 million incurred by the Company on publicity and promotion for tourism since 1986-87 have been adjusted against the loans of Rs.183.636 million received from the Government of Punjab on the ground that these expenses are incurred by the Company on behalf of the Government of Punjab. The Company was still awaiting the consent of the Government of Punjab in this regard. The matter needs to be expedited and progress thereof be intimated.”

7-7-99: The Department explained that long term loan reflected by the Audit were initially provided as grants in aid which were subsequently converted into interest bearing loan by the Finance Department without showing any reason for this decision. TDCP contested the said decision of Finance Department and proposed that these funds may be converted into share capital of TDCP. The Finance Department had been requested to convert the actual expenditure of publicity/promotion into grants in aid.

The PAC directed that the matter may be taken up with the Finance Department and progress in the matter may be reported to PAC in the next meeting.

The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

17. Para 66: Page 49 – Conversion of Loan into Equity

Audit had observed: “Long term loans of Rs.198.864 million as on 30 June 1991 included Development Schemes Loan of Rs.32.000 million which was received from the Government

of Punjab as short term loan repayable in six months together with interest thereon. But neither the loan has been repaid nor any provision for interest has been made in the accounts fore the year 1990-91. Purpose of obtaining of this short term development schemes loan and utilization thereof, may be stated.”

7-7-99: The Department explained that financial re-structuring of the loans including the amount of Rs.32.00 million for conversion of the same into equity of the Government had been proposed. The amount had been utilized on development schemes. The matter would be concluded with the restructuring of financial matters of the TDCP.

The PAC directed that the matter may be referred to the Finance Department to seek sanction for the conversion of loans into the equity.

The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

18. Para 67: Page 49 – Financial and Working Review of Operations

Audit had observed: “The Corporation has not prepared and provided Financial and Working Review of the Operations of the Corporation for the year 1990-91...Financial and Working Review encompassing these aspects and activities needs to be prepared and provided to Audit along with each years audited accounts.”

7-7-99: The Department explained that income and expenditures of Tourist resorts Restaurants and Rest Houses was being maintained and evaluated. TDCP resorts and Motels had been leased out to private investors as per Government policy. The annual accounts had been audited by the statutory auditors.

Audit apprised the PAC that TDCP had not provided financial and working reviews for 1990-91 and subsequent years.

The PAC directed that requirement of Audit may be complied with by providing the financial and working review for 1990-91 to Audit.

The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

Health Department

Overview

Total Paras	Civil	Annexure paras	Commercial
142	128	9	5

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 1	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	Commercial: 3(xii)	1
Paras Finally Settled 79	Paras finally settled as the requisite action had been taken.	Civil: 9.1(1), 9.1(2), 9.1(4), 9.1(6), 9.1(8), 9.2, 9.4, 9.6, 9.7, 9.8, 9.10, 9.12, 9.14, 9.15, 9.16(1), 9.16(2), 9.16(3), 9.16(4), 9.16(6), 9.21, 9.22, 9.24, 9.26, 9.27, 9.28(1), 9.28(2), 9.30, 9.31, 9.32, 9.33, 9.34, 9.35, 9.36, 9.37, 9.38, 9.39, 9.40, 9.41, 9.42, 9.43, 9.44, 9.46, 9.47, 9.48, 9.49, 9.50, 9.51, 9.52, 9.53, 9.54, 9.55, 9.56, 9.57, 9.58, 9.59, 9.60, 9.61, 9.68, 9.80, 9.83, 9.84, 9.88, 9.90, 9.92, 9.93, 9.94, 9.96, 9.97, 9.99, 9.102, 9.104, 9.106, 9.107, 9.109, 9.110 Commercial: 68, 69, 70, 71.	75 4
Paras Conditionally Settled 62	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit shall verify the same.	Civil: 7.8, 9.1(3), 9.1(5), 9.1(7), 9.1(9), 9.1(10), 9.1(11), 9.3, 9.5, 9.9, 9.11, 9.13, 9.16(5), 9.17, 9.18, 9.19, 9.20, 9.23, 9.25, 9.29, 9.45, 9.62, 9.63, 9.64, 9.65, 9.66, 9.67, 9.69, 9.70, 9.71, 9.72, 9.73, 9.74, 9.75, 9.76, 9.77, 9.78, 9.79, 9.81, 9.82, 9.85, 9.86, 9.87, 9.89, 9.91, 9.95, 9.98, 9.100, 9.101, 9.103, 9.105, 9.108, 9.111. Annexure Paras: 140, 3, 4, 26, 52, 53, 40, 38(1), 38(2)	53 9

Discussed on 29-30 August 1995, 20-21 August and 29 October 1996,

29-30 December 1998, 7 July 1999 and 12-13 June 2002.

Civil Audit

1. Para 7.8: Page 67 Supply of Wheat Valuing Rs.477,700

Audit had observed: “Under the World Food Programme, wheat, weighing 204 M.T. was supplied to District Health Officer, Muzaffargarh during the procurement scheme, May 1984 to April 1987 by District Food Controller Muzaffargarh. The supply was free of cost. The orders of the competent authority or the acknowledgment of the receiving end were not obtained.”

29-5-96: The Department explained that 204 M.T. wheat was supplied to D.H.O., Muzaffargarh free of cost under the World Food Programme. Acknowledgement of the wheat supplied had been got verified by Audit. So far as the distribution of wheat was concerned, the record was available with the Health Department. Therefore, the para may be transferred to the Health Department for verification of the distribution of wheat.

The PAC decided to transfer the para to the Health Department.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para 9.1(1): Page 87 – Irregular Local Purchase of Medicines Valuing Rs.5,557,081 (This Item Rs.2,427,250) Mental Hospital

Audit had observed: “Budget provided for the purchase of medicines and local purchases made from that provision in various health organizations was as per detail given below. According to instructions issued by the Industries & Mineral Development Department vide letter No.III/1/1/431-ix/67, dated 23.3.1969 only 15% of the budget provided for the purchase of medicines could be utilized for local purchase and medicines for 85% of the budget provision were required to be indented from the Medical Store Depot. Accordingly medicines for Rs.2,496,529 could only have been purchased locally out of the budget provision of Rs.16,643,524 whereas medicines valuing Rs.8,053,610 i.e. 48% had been purchased from local market. Thus medicines valuing Rs.5,555,081 were irregularly purchased from local market contrary to the instructions of the Industries & Mineral Development Department mentioned above.”

29-8-95: It was a composite para involving the II formations of Health Department. According to the Government instructions 85% stock of medicines was to be purchased from M.S.D. and 15% from local market. In contravention of the rules 48% medicines were purchased from the local market. The Department for the regularization of the irregularity, submitted a summary to the Chief Minister who did not accept the excuses of the Department and refused to regularize the case.

The institutions wise details of this composite para was as under:-

The Department explained that the local purchase of medicines was approved by the Director General, Health Services. The Public Accounts Committee directed the Administrative Department to get the expenditure regularized from the Finance Department and submit a report to the Public Accounts Committee within four months. The proportion between local purchase and MSD may be rationalized. The para was kept pending.

The Department explained that expenditure had since been regularized by the competent authority which had been verified by Audit.

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

3. Para 9.1(2): Page 87– Irregular Local Purchase of Medicines Valuing Rs.5,557,081 (This Item Rs.1,015,480) DHQ Hospital, Sheikhpura

For Audit observation, *see* Sr.No.2 above

29-8-95: The Administrative Department explained that the proper procedure was adopted to purchase the medicines by calling quotations through advertisements. As no *malafide* was established the Public Accounts Committee accepted the explanation of the Department therefore, **the para was settled.**

4. Para 9.1(3): Page 87– Irregular Local Purchase of Medicines Valuing Rs.5,557,081 (This Item Rs.179,511) ADHO Daska (Sialkot)

For Audit observation, *see* Sr.No.2 above

29-8-95: The Department explained that in October, 1988 flood emergency in Tehsil Daska was declared. Therefore, in the best interest of the patients and public, preventive measures were adopted and the medicines were purchased from the private firms. Funds were provided by re-appropriation of budget allocations. The Committee was not satisfied with the explanation of the Department as the re-appropriation was done from those allocations from where it was not allowed e.g. allocation for electricity bills etc. The Committee directed the Department that A.D.H.O. who made the purchases of medicines by adopting the irregular practice should be proceeded against by putting under suspension and conducting a detailed enquiry. This action should be completed within three months.

The irregularity might also be got regularized by the Competent Authority. The para was kept pending.

20-8-96: The Department explained that an enquiry was conducted and as a result it was

concluded that financial as well as procedural irregularities had been committed by the then A. D.H.O. Daska and D.H.S. Gujranwala. As per recommendations of the inquiry report the case had been sent to the concerned Authorities to initiate disciplinary action against the defaulters under E & D Rules.

The PAC directed that disciplinary action must be completed against the defaulters within three months as already decided in its previous meeting dated 29-8-1995.

29-12-98: The Department explained that minor penalty had been awarded by the Authorized Officer. The said penalty was not confirmed and Authorized Officer had been asked to reconsider his recommendations of minor penalty.

The P.A.C. was not satisfied with the explanation as well as departmental action. The P. A.C. observed that as per previous directive of P.A.C. dated 20.8.96 the action as already directed was required to be completed within three months which had not been done despite the lapse of more than three years. Action was also required to be taken against the then D.H. S. Gujranwala which was not done. The P.A.C. directed that:-

- i) Disciplinary action against the defaulters may be completed within one month.
- ii) Authorized Officer may be appointed for enquiry from a Department other than the Health Department to ensure fair and impartial enquiry.
- iii) Action may also be taken against the Authorized Officer if he did not complete the enquiry within the period prescribed under the rules.
- iv) Action against the then D.H.S. Gujranwala may also be taken.
- v) Action against the D.A.O's. concerned may also be taken by the Finance Department in all such cases.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction-**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

5. Para 9.1(4): Page 87 – Irregular Local Purchase of Medicines Valuing•Rs.5,557,081 (This Item Rs.182,852) DHO Hospital Okara

For Audit observation, *see* Sr.No.2 above

29-8-95: Local purchases of medicines worth Rs.182,852 were made. The representative of Audit Department apprised the PAC that purchases were made on the 29th June to exhaust the funds.

The Department refuted the contention of Audit and explained that purchases were

made on different occasion. The PAC directed the Department to produce the relevant record to Audit, verify the factual position and get regularize the expenditure by the Finance Department within one month.

The para was kept pending.

20-8-96: The Department explained that an enquiry was conducted which showed that Homeopathic, Unani and Allopathic medicines were purchased after observing necessary codal formalities and within competence.

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

6. Para 9.1(5): Page 87 – Irregular Local Purchase of Medicines Valuing Rs.5,557,081 (This Item Rs.492,973) ADHO Pasrur (Sialkot)

For Audit observation, *see* Sr.No.2 above

29-8-95: The Department explained that in the month of October, 1988 flood emergency in Tehsil Pasrur was declared and in the best interest of patients and public preventive measures were adopted and the medicines were purchased from the private firms. The PAC did not agree to the contention of the Department and observed that the A.D.H.O. Pasrur made local purchases of an amount of Rs.492,973/15 exceeding his local purchase powers of Rs.60,000 by making re-appropriation of budget allocation.

However, after considering the flood situation in the area, the PAC directed that the irregularity might be got regularized by the competent Authority and also strictly warned the A.D.H.O. concerned not to repeat such irregularity in future. The irregularity may also be got regularized by the Competent Authority. The para was kept pending.

20-8-96: The Department explained that case for regularization of the expenditures, was referred to the Finance Department. The Finance Department remarked that disciplinary action may be initiated against the defaulters. Accordingly, the matter was enquired into and it was noticed that before making the purchases neither N.A.C. was obtained nor open tenders were invited, and that the funds were arranged by wrong re-appropriation of budget allocations.

The PAC directed that a fresh enquiry may be conducted within two months and report presented to PAC in the next meeting.

The para was kept pending.

29-12-98: The Department explained that as per previous directive of P.A.C. dated 20.8.96 the enquiry was conducted and it was found that financial as well as procedural irregularities had been committed by the then D.D.H.O. Pasrur and D.H.S. Gujranwala in that:-

- 1) The demand was not advertised to ensure fair competition.
- 2) Sanction was accorded beyond competence.
- 3) Re-appropriation of funds was made from prohibited heads.
- 4) Costly medicines were purchased instead of life saving drugs.
- 5) Prescribed ratio of MSD/LP was not observed.
- 6) Inspection certificate by the committee was not obtained.

- 7) Some medicines were purchased in excess which subsequently expired.
- 8) D.A.O. was also responsible as he accepted the irregular expenditure on pre-audit counter.

Since the irregularity had prima facie been established, the P.A.C. directed that:-

- 1) Disciplinary action may be taken against the defaulters i.e. D.D.H.S Pasrur and D.H.S Gujranwala.
- 2) Irregularity may be got condoned by the Finance Department.
- 3) Loss sustained by the Government in this deal may be worked out and recovered from the defaulters.
- 4) Enquiry report and relevant record may be produced to Audit for scrutiny and comments.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

7. Para 9.1(6): Page 87– Irregular Local Purchase of Medicines Valuing Rs.5,557,081 (This Item Rs.656,174) ADHO Nankana Sheikhpura.

For Audit observation, *see* Sr.No.2 above

29-8-95: The Public Accounts Committee observed that A.D.H.O. made local purchases valuing Rs.656,174 while his competency was Rs.60,000 only. Therefore, he might be proceeded against. The Finance Department/Audit should also proceed against the D.A.O. who was equally responsible for the irregularity and complete action within two months.

The para was kept pending for action against the A.D.H.O. and D.A.O. by their Departments and regularization from the competent authority.

20-8-96: The Department explained that local purchases were made to meet the emergent local requirements. An enquiry was conducted and the enquiry officer recommended that expenditure may be got regularized from Finance Department. The case had been sent to Finance Department for regularization and its decision was awaited.

The PAC directed that expenditure may be got regularized from the Finance Department. The para was kept pending.

29-12-98: The Department explained that Finance Department had since regularized the expenditure of Rs. 656,174 incurred for the local purchase of medicines.

The P.A.C. accepted the explanation and the **para was settled.**

8. Para 9.1(7): Page 88 – Irregular Local Purchase of Medicines Valuing Rs.5,557,081 (This Item Rs.751,597) ADHO Sheikhupura

For Audit observation, *see* Sr.No.2 above

29-8-95: The Public Accounts Committee observed that ADHO (Sheikhupura) made local purchases worth Rs.751,597 while his competency was of Rs.60,000 only. ADHO and D.D.O. were responsible for irregular purchases of medicines. The D.A.O. was equally responsible for the irregularity as he passed the bills. Therefore, A.D.H.O., D.D.O. and D.A.O. should be proceeded against.

The para was kept pending for regularization of expenditure from the Government and action against the A.D.H.O., D.D.O. and D.A.O.

20-8-96: The Department explained that in compliance with the directive of the PAC an enquiry was conducted. As per enquiry report the then A.D.H.O. Sheikhupura was found defaulter. The case had been referred to the concerned authorities for disciplinary action.

The PAC directed that previous directive of the PAC dated 29.8.95 may be complied with. The Finance Department should also proceed against D.A.O., who accepted the irregular expenditure. The action against the defaulter A.D.H.O. and D.A.O. should be completed within three months.

The para was kept pending.

29-12-98: The Department explained that the Authorized Officer had awarded the minor penalty to the defaulter A.D.H.O. Sheikhupura. The Competent Authority had called for the relevant record from the Authorized Officer to consider the confirmation of said minor penalty.

The P.A.C. was not satisfied with the explanation and action being taken by the Department and observed that on 20.8.96 the Department was directed to complete the enquiry and disciplinary action within three months as also to get the irregular expenditure regularized by the Competent Authority but despite the lapse of two years the requisite action had not been completed. The P.A.C. directed that disciplinary action may be completed, keeping in view the gravity of offence, within one month. Authorized Officer may be appointed from any other Department to ensure impartiality. The enquiry may be provided to the Audit for comments. The Finance Department was also directed to proceed against the D.A.O. concerned for accepting the irregular expenditure at the pre-audit counter.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 9.1(8): Page 88 – Irregular Local Purchase of Medicines Valuing Rs.5,557,081 (This Item Rs.474,383) ADHO Ferozewala

For Audit observation, *see* Sr.No.2 above

29-8-95: The Public Accounts Committee observed that concerned A.D.H.O. made local purchases of Rs.474,383 against his competency of Rs.60,000. A.D.H.O., D.D.O. and District Accounts Officer were responsible for irregular local purchase of medicines. Therefore, the Health Department should initiate disciplinary action against A.D.H.O. The Finance Department/Audit should also proceed against the D.A.O. as he was equally sharing the irregularity. The irregularity should also be got regularized by the Competent Authority. The para was kept pending.

20-8-96: The Department explained that local purchases were made to meet the emergent local requirements. An enquiry was conducted and the enquiry officer recommended that expenditure may be got regularized from Finance Department. The case was sent to Finance Department for regularization and its decision was awaited.

The Public Accounts Committee directed that expenditure may be got regularized from the Finance Department. The para was kept pending.

29-12-98: The Department explained that the Finance Department had since regularized the expenditure of Rs. 474,383.

The P.A.C. accepted the explanation and the **para was settled.**

10. Para 9.1(9): Page 88– Irregular Local Purchase of Medicines Valuing Rs.5,557,081 (This Item Rs.355,732) DHO Sheikhpura

For Audit observation, *see* Sr.No.2 above

29-8-95: The PAC observed the concerned D.H.O. made local purchases of Rs.355,732 beyond his competency of Rs.150,000. The D.H.O. concerned and D.A.O. were responsible for the irregularity. As such both the officers should be proceeded against by their Departments and irregularity should be got regularized by the Competent Authority. The para was kept pending.

20-8-96: The Department explained that in compliance with the directive of the PAC the matter was enquired into and it was found that financial as well as procedural irregularities had been committed by the then D.H.O. Sheikhpura. The case had been sent to the concerned authorities for disciplinary action against the D.H.O.

The PAC was not satisfied with the explanation of the Department and directed that the expenditure may be got regularized from the Finance Department and previous directive of the Committee dated 29-8-95 may also be complied with.

It was also directed that the Finance Department should also take action against the D. A.O. for approving the expenditure inspite of the irregularities. The action should be completed within two months. The para was kept pending.

29-12-98: The Department explained that enquiry had been completed but it was observed that the enquiry had not been conducted in accordance with the relevant rules. Therefore, the enquiry report had been returned to the enquiry officer for re-examination of the enquiry report and to prepare the same in accordance with the relevant rules.

The P.A.C. directed the Department to complete the enquiry and action against the defaulters within one month. The Finance Department should also proceed against the D.A.O. concerned who accepted the irregular expenditure at the pre-audit counter. **The para was kept pending.**

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para 9.1(10): Page 88 – Irregular Local Purchase of Medicines Valuing Rs.5,557,081 (This Item Rs.640,811) ADHO Sialkot

For Audit observation, *see* Sr.No.2 above

29-8-95: The PAC observed that A.D.H.O., Sialkot was responsible for irregular purchase of medicines and therefore, the officer might be proceeded against for the irregularity. The D. A.O. was equally responsible for the irregularity and he should also be proceeded against by Finance Department/Audit. The irregularity should also be regularized by the Competent Authority. The para was kept pending.

20-8-96: The Department explained that the enquiry was conducted by D.H.O. Sialkot who found that financial and procedural irregularity was committed by the then A.D.H.O. Sialkot and the then D.H.S. Gujranwala. The case had since been sent to the Competent Authority for disciplinary action.

The PAC directed that its previous decision dated 20.8.95 may be complied with in letter and spirit. Action against the defaulters should be completed within three months. Also the Finance Department should proceed against the concerned D.A.O., who approved the irregular expenditure despite the irregularities. The action should be completed within three months. The para was kept pending.

29-12-98: The Department explained that enquiry was under process.

The Finance Department also apprised the P.A.C. that action against the D.A.O. concerned was also under process.

The P.A.C. was not satisfied with the explanation and pace of compliance of the directive of P. A.C. dated 29-8-95 and 20-8-96. The P.A.C. observed with great concern that on 20-8-96 the

Department had informed that enquiry had been completed and the case had been sent to the Competent Authority for disciplinary action. Now, it had been found that action had not been taken as undertaken by the Department.

The P.A.C. directed to complete the enquiry within one month and fix responsibility . Officer responsible for the non-compliance of P.A.C's previous directive dated 20.8.96 may also be proceeded against for strict action against him for this lapse. The P.A.C. also directed the Finance Department/A.G. that D.A.O. concerned may be placed under suspension forthwith and he may be proceeded against for strict disciplinary action.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para 9.1(11): Page 88 – Irregular Local Purchase of Medicines Valuing Rs.5,557,081 (This Item Rs.332,409 and Rs.544,438) ADHO Pasrur

For Audit observation, *see* Sr.No.2 above

29-8-95: The Department explained that in those days flood emergency was declared and it was expected that fatal diseases would burst out in the area. To meet such an emergency the medicines were purchased as preventive measures in the best interest of patients and public. The funds were provided by re-appropriation of budget allocation.

The PAC was not satisfied with the explanation of the Department. However, the PAC observed that irregularity was committed in the public interest during an emergency, therefore it may be got regularized by the Competent Authority. The Committee further directed that purchases beyond the competency might not be repeated in future.

The para was kept pending for regularization of expenditure.

20-8-96: The Department explained that a case for regularization of the expenditure was sent to the Finance Department. The Finance Department recommended for disciplinary action against the defaulters. Accordingly, an enquiry was conducted and it was prima facie found that irregularity had been committed.

The PAC, however, directed that fresh enquiry be conducted and report be furnished to the PAC within two months. The para was kept pending.

29-12-98: The Department explained that as per previous directive of P.A.C. dated 20.8.96

a fresh enquiry was conducted and it was found that (i) the demand was not advertised to ensure fair competition (ii) the sanction was accorded beyond competence (iii) re-appropriation of funds was made from prohibited heads of accounts. (iv) costly medicines were purchased instead of essential life saving drugs. (v) prescribed ratio of MSD/PL was not observed (vi) D.A.O. accepted irregular expenditure in audit. So the financial and procedural irregularity had clearly been committed.

The P.A.C. directed that responsible officers/officials may be placed under suspension forthwith and they may be proceeded against for severe disciplinary action.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 9.2: Page 88 – Purchase of Store Articles Without Immediate Requirement

Audit had observed: “Store articles and hospital equipment were purchased during June, 1989 for Rs.2,693,478 through Medical Store Depot and from local market for “two upgraded Rural Health Centres “Five new Basic Health Units” and “Eleven upgraded Basic Health Units”. All the stores purchased were lying in the store of District Health Officer, and were not distributed even after a period of one year. It was argued by the office that the buildings of the Institutions were not yet completed by the Building Department. The expenditure was incurred in anticipation of actual requirement. Unnecessary accumulation of hospital articles might put the Government to bear the loss due to deterioration of stores.”

29-8-95: The Public Accounts Committee directed the Department to get the record verified by Audit. The para was settled subject to verification.

20-8-96: The Department explained that the relevant record had been got verified by Audit. **The para was settled.**

14. Para 9.3: Page 88 – Purchase of Defective Equipment Valuing Rs.1,904,000

Audit had observed: “Laboratory centrifuges valuing Rs.1,904,000 were purchased by Health Department during 1989. The stores were received in Medical Store Depot and taken in stock after checking & verification by Technical Officer and a pathologist. A representation was made by an interested party that the stores were made in Taiwan and not locally as per purchase order. The equipment was re-inspected by another pathologist and the same technical officer. They pointed out some defects which were major in nature but were termed as minor and said nothing about the origin of the equipment.”

29-8-95: Defective equipment (Laboratory Centrifuge) valuing Rs.1,904,000 was purchased. The equipment was not upto the specification.

The Department explained that equipment was purchased after fulfilling all codal

formalities and also the equipment was according to the specification.

The Public Accounts Committee was not satisfied and observed that the Department did not provide the record i.e. Tender documents and comparative statement to Audit for scrutiny. The equipment was inspected twice. At the first inspection the equipment was declared satisfactory and at the second inspection the equipment was found defective and this fact made the matter doubtful. Therefore, the Department was directed to produce the relevant record to Audit for scrutiny and also to hold inquiry for fixing responsibility for the purchase of defective equipment. The requirement should be complied with within one month. The para was kept pending.

20-8-96: The Department explained that as directed by PAC the inspection team comprising Professor of Pathology and Technical Officer of Health Department inspected the site and had reported that the equipments were locally made and contained minor defects which were got rectified. Thereafter, the equipments were issued to the Hospitals. The PAC was not satisfied with the explanation and directed that Additional Secretary should himself enquire into the matter in detail and report be presented to the PAC within three months. The para was kept pending.

29-12-98: The Department explained that the matter was enquired into and it was found that the Laboratory Centrifuges were working properly.

The P.A.C. settled the para subject to verification of said enquiry report of the Additional Secretary by the Audit.

15. Para 9.4: Page 89 – Bedding & Clothing Material Awaited Since Two Years•Rs.1,428,413

Audit had observed: “Payment for bedding and clothing was made to Government Weaving Factory, Shahdara for Rs.1,428,413 during the period September, 1987 to May, 1989. The material received against this payment was for Rs.758,969. In spite of lapse of 2 years balance material for Rs.669,444 was still not received.

30-8-95: As reconciliation had been done, **para was settled.**

16. Para 9.5: Page 89 – Un•Economical Purchase of Medicines Without Competency- Rs.1,148,163

Audit had observed: “Assistant District Health Officer, Faisalabad incurred an expenditure of Rs.1,148,163 during 1989-90 on the purchase of medicines, without observing codal provisions regarding economical purchases contained in rule 15.2 of PFR Vol.1. The expenditure was also beyond the competency of Assistant District Health Officer who was empowered to accord sanction upto Rs.60,000.”

30-8-95: Purchases of medicines were made without observing codal provisions. The Department explained that all medicines were purchased at Trade/Hospital rates without

making any splitting of expenditure. The Public Accounts Committee was not convinced with the explanation and considered the purchases irregular.

The Committee was of the view that the Director Health Services, the Drawing & Disbursing Officer and the District Accounts Officer were responsible for the irregularity and directed that action should be taken against them under the E & D Rules within two months. The Finance Department was also directed to take action against the District Accounts Officer and complete it within two months. The para was kept pending.

20-8-96: The Department explained that an enquiry was conducted in compliance with the directive of PAC dated 30-8-95. The enquiry Officer found that financial as well as procedural irregularity was committed by the then A.D.H.O. Faisalabad and D.H.S. Faisalabad. The case had been sent to the competent authorities for disciplinary action against the defaulters.

The PAC directed that disciplinary action be completed within three months as already directed by the Committee in its meeting held on 30-8-1995.

The para was kept pending.

29-12-98: The Department explained that Competent Authority ordered had a denovo enquiry which was under process.

The P.A.C. directed the Department to complete the enquiry within three months and fix responsibility for the financial as well as procedural irregularity and to take disciplinary action against the defaulter.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

17. Para 9.6: Page 90 – Un-Economical Purchase of Medicines Rs.1,064,152.

Audit had observed: “Assistant District Health Officer Samundari, District Faisalabad purchased medicines worth Rs.1,064,152 during 1989-90 without floating tender enquiry. Purchases were also split up to avoid sanction of the competent authority against the provisions of rule 15.2(c) and (d) of PFR Vol-I.”

30-8-95: Purchases of medicines were made without observing codal provisions. The Department explained that all medicines were purchased at Trade/Hospital rates without making any splitting of expenditure. The Public Accounts Committee was not convinced with the explanation and considered the purchases irregular.

The Committee was of the view that the Director Health Services, the Drawing & Disbursing Officer and the District Accounts Officer were responsible for the irregularity and

directed that action should be taken against them under the E & D Rules within two months. The Finance Department was also directed to take action against the District Accounts Officer and complete it within two months. The para was kept pending.

20-8-96: The Department explained that as a result of Departmental enquiry it was found that financial as well as procedural irregularity was committed by the then A.D.H.O. Summandri, and D.H.S. Faisalabad. The case for disciplinary action had been sent to the concerned competent authorities.

The PAC directed that disciplinary action must be completed within three months and previous directives should also be complied with. The para was kept pending.

29-12-98: The Department explained that regular enquiry under E & D rules was conducted. The enquiry officer reported that charges were not proved. Only procedural irregularity was involved. The case had also been probed into by the Anti-Corruption Department who concluded that no loss had been sustained to the Government.

The P.A.C. accepted the explanation and the **para was settled.**

18. Para 9.7: Page 90 – Defective System of Disbursement Acquittance Rolls Not Produced Rs.1,013,977

Audit had observed: “Acquittance rolls in support of payments of Rs.1,013,977, during 1989-90 on account of pay and allowances etc., made to the staff of Rural Health Centres/ Basic Health Units were not produced to audit.”

30-8-95: As verification had been done by Audit, **the para was settled.**

19. Para 9.8: Page 90 – Irregular Purchase of Furniture For Rs.620,660.

Audit had observed: “Purchase of furniture worth Rs.620,660 was made in March, 1989 without adopting the system of open tenders, violating the provisions of rule 15.2 of PFR Vol-I and para 14 of Purchase Manual to give undue favour to an individual firm.”

30-8-95: The explanation of the Department was accepted and **the para was settled.**

20. Para 9.9: Page 91 – Ultra Sound Machine Went Out of Order Within 3 Months.

Audit had observed: “In Nishtar Hospital, Multan, an ultra-sound machine was purchased in December, 1987 for Rs.526,000 which started functioning in January, 1988 and went out of order within three months of its operation. It was not got repaired/replaced by suppliers, inspite of the fact that the firm was bound to replace the spare parts free of cost, upto the period of five years, as per agreement.”

30-8-95: An Ultra Sound machine was purchased which went out of order within three months. The machine was repaired at a cost of Rs.249,500.

The Department informed the Committee that the supplier M/S Akbar Brothers had been asked to refund Rs.249,500 incurred on the repair of the machine but they had refused to do so. Audit stated that despite the passage of seven years no progress had been made in the case and, moreover, the warrantee period had also been expired.

The Committee directed that the Department should black•list the firm and also take legal action against them. The para was kept pending.

20-8-96: The Department explained that the Ultra Sound machine was installed in Nishtar Hospital, Multan, in working order. The faults/defects appeared after 7 months. The supplier firm was asked to repair the machine as envisaged in clause 28 of the agreement but the firm refused to carry out the repairs on various excuses. The firm was black listed in anther case but they filed an appeal in the court against the decision.

The PAC directed that the defaulting firm may be black listed and legal action should also be taken against it. The entire action should be completed within three months. The para was kept pending.

29-12-98: The Department explained that firm had been black listed. The firm later on agreed to pay Rs.249,500 and requested to adjust the said amount against their commission of Rs.263,722 payable in contract No.AID/234/HB/247. The adjustment was under process as the A.G. Punjab had been requested to confirm the deduction/adjustment.

The P.A.C. kept the para pending for the finalization of the said recovery/adjustment of Rs.249,500. A.G. Punjab was also asked to extend cooperation in settling the issue.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

21. Para 9.10: Page 91 –Purchase Without Calling Open Tenders.

Audit had observed: “Machinery, instruments Electric Water Cooler were purchased by Medical Superintendent Nishtar Hospital Multan for Rs.454,687 by calling quotations from two or three firms instead of calling open tenders through the press for healthy competition to ensure economical purchase. The purchases were made in May, 1988 and June, 1988 and also exceeded the competency of the Medical Superintendent, who was competent to make local purchase upto Rs.150,000 only.”

30-8-95: The explanation of the Department was accepted and **the para was settled.**

22. Para 9.11: Page 92 – Record Not Produced–Rs.396,258

Audit had observed: “The Medical Superintendent District Headquarters Hospital, Okara drew a sum of Rs.396,258 from Government treasury on 30.6.1988 for miscellaneous purchases. The relevant record as detailed below was not produced to audit for scrutiny during local audit.

- i) Contingent Register
- ii) Copies of contingent bills
- iii) Vouched account
- iv) Actual payee receipts
- v) Stock registers.”

30-8-95: A sum of Rs.396,258 was drawn by D.H.O Okara for miscellaneous purchases. No record in support of purchases was produced to Audit.

The Committee was informed that FIR had been registered against Abdul Sattar Shaheen, Clerk, on 8-3-1994, for the theft of record. It was observed by the Committee that since the then M.S. District Headquarters Hospital Okara, was responsible for drawing the sum of Rs.396,258 and therefore, recovery should be effected from him as well alongwith lodging a criminal case. The para was kept pending.

20-8-96: The Department explained that an inquiry was conducted and Mr. Abdul Sattar Sheheen, Clerk was found responsible for the theft of record against whom a case had already been registered. Also the Administrative Wing of the Department had been asked for disciplinary action against the defaulter. However, the record pertaining to the expenditure of Rs.294,000 had been traced out and would be shown to Audit.

The PAC directed that the available record may be got verified by Audit within two months and the remaining record should also be traced out immediately. The para was kept pending.

29-12-98: The Department explained that record pertaining to the amount of Rs.391,270 had been traced. The record for the balance amount of Rs.4,987 was being traced and would be produced to Audit. The Department also ensured that recovery where it was required would also be effected from the defaulters.

The P.A.C. settled the para subject to verification of record/recovery by Audit.

23. Para 9.12: Page 92 – Infructuous Expenditure of Rs.396,075

Audit had observed: “The Chemical Examiner to the Government of Punjab Lahore purchased medical equipment worth Rs.396,075 during March, 1989 and March, 1990. The equipment was not installed and used for more than a year after its delivery. The equipment had, therefore, been purchased without immediate requirement and simply to utilize the budget provision. In accordance with the provisions of Finance Rules, purchases should not be made simply to avoid lapse of funds.”

30-8-95: The explanation of the Department was accepted and **the para was settled.**

24. Para 9.13: Page 92 – Irregular Expenditure Out of A.D.P. Funds

Audit had observed: “An expenditure of Rs.315,552 was incurred by A.D.H.O, Khanpur a category-III Officer, on the purchase of Machinery, Equipment, Furniture and Fixture, during June, 1988 without obtaining the sanction of competent authority as the expenditure exceeded the competency of the expending officer. According to Government of Punjab, Finance Department, Lahore No.F.D(F.R)II-5/82, dated 2nd November, 1986, a category-III officer was empowered to make local purchases upto Rs.60,000.”

30-8-95: The Public Accounts Committee observed that while making purchases D.D.O. (ADHO) acted over and above his competency. D.A.O. was equally responsible for the irregular incurrence of expenditure. The Public Accounts Committee directed that D.D.O. might be proceeded against under E&D Rules. The Finance Department was also directed to take action against the D.A.O. The action should be completed within two months. The para was kept pending.

20-8-96: The Department explained that as per directive of PAC dated 30-8-95 the matter was enquired into and it was found that financial as well as procedural irregularity was committed by the then A.D.H.O. Khanpur and D.H.O. Rahim Yar Khan. As per inquiry report, the Administrative Wing of the Department had been asked to initiate disciplinary action against the defaulters.

The PAC directed that disciplinary action be completed against the defaulting officers within three months as directed by the Committee on 30-8-1995 also.

The para was kept pending.

29-12-98: The Department explained that enquiry was under process for fixing responsibility and imposing penalty on the defaulters.

The P.A.C. was not satisfied with the explanation as well as with the departmental reply regarding the compliance of the previous directive of P.A.C. dated 20.8.96 wherein the Department was directed to finalize the disciplinary action against the defaulters within three months. Therefore, the Department was again strictly directed to finalize the case for imposition of penalty on the defaulters within three months.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

25. Para 9.14: Page 93 – Irregular Expenditure Rs. 249,495

Audit had observed: “In contravention to the provisions of Rule 2.10(b)5 of PFR Vol.I read with Finance Department letter No. FD(R-iv)11-72-11, dated 31.3.1977, a sum of Rs.249,495 was drawn on the last day of the financial year (i.e. 30.6.1990) by the Principal, Punjab Medical College, Faisalabad and paid in advance for supply of crockery & blankets. The supply was not received until 22.12.1990 when audit was conducted. Obviously this was done merely to avoid lapse of funds.”

30-8-95: The explanation of the Department was accepted and **the para was settled.**

26. Para 9.15: Page 93 – Expenditure Without Competency Rs. 217,449

Audit had observed: “The expenditure was incurred out of A.D.P. Fund during June, 1989 for purchase of furniture/equipment/instruments which was open to the following observations:-

(1) Sanction of the competent authority was not obtained as the Assistant District Health Officer working as District Health Officer in his own pay grade was an officer of category-IV, who could not sanction the expenditure of Rs.217,449.

(2) No objection Certificate from the purchase cell of Health Department was not obtained as required by the Finance Department in their letter No.FD(PR)-II-5/82, dated November 2,1986.”

30-8-95: The explanation of the Department was accepted and **the para was settled.**

27. Para 9.16(1): Page 94 – Government Receipts Not Deposited into Treasury Rs.205,000 (This item Rs.20,473)

Audit had observed: “Hospital receipts like purchase fee, private room rent, ambulance charges and X-Ray fee etc. collected by various institutions were not deposited into government treasury.”

30-8-95: The Department explained that Rs.20,473 had been deposited in the Treasury and verified by Audit. The explanation of the Department was accepted and **the para was settled.**

28. Para 9.16(2): Page 94 – Government Receipts Not Deposited into Treasury Rs.205,000 (This item Rs.10,408)

For Audit observation, *see* Sr.No.27 above

30-8-95: The explanation of the Department was accepted and **the para was settled.**

29. Para 9.16(3): Page 94 – Government Receipts Not Deposited into Treasury Rs.205,000 (This item Rs.70,108)

For Audit observation, *see* Sr.No.27 above

30-8-95: The Department explained that Rs.69,298 had been deposited in the treasury and remaining amount of Rs.810 was being recovered.

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

30. Para 9.16(4): Page 94 Government Receipts Not Deposited into Treasury Rs.205,000 (This item Rs.46,138)

For Audit observation, *see* Sr.No.27 above

30-8-95: The Department explained that an amount of Rs.27,555 had been deposited with the Government and verified by Audit.

The Department was directed to effect recovery of the balance amount Rs.18,383/. The para was kept pending.

21-8-96: The Department explained that actual amount of recovery was Rs.27,555 instead of Rs.46,138 as calculated by Audit. the said amount of Rs.27,555 had already been recovered and got verified by Audit. The remaining amount of Rs.18,383 pertained to journey not to be accounted for towards recovery. However, its details had been recorded in the log book.

The PAC directed the Department to get verified the relevant record by Audit in support of their contention. The para was settled subject to said verification of record by Audit.

29-12-98: The Department explained that the concerned officer had produced the record to the Director General, Audit , Punjab for verification.

The P.A.C. accepted the explanation and **the para was settled.**

31. Para 9.16(5): Page 94– Government Receipts Not Deposited into Treasury Rs.205,000 (This item Rs.29,411)

For Audit observation, *see* Sr.No.27 above

30-8-95: The Department explained that whole amount of Rs. 29,411 had since been effected and deposited with the Government.

The para was settled subject to verification by Audit.

21-8-96: The Department explained that recovery of Rs. 29, 411 has since been effected and necessary record had also been produced to Audit for verification.

The PAC observed that even after the lapse of one year the Department could not show the record to Audit. The PAC expressed its displeasure on the lack of interest shown by the Department. The Department was again directed to get the relevant record verified by Audit without any further delay.

The para was settled subject to the said verification of record by Audit.

29-12-98: The Department explained that the concerned officer had produced the relevant record to Director General Audit, Punjab, Lahore, for verification.

The P.A.C. accepted the explanation and the **para was settled subject to the condition** that this decision would not be quoted as precedent in such other cases in future.

32. Para 9.16(6): Page 94 – Government Receipts Not Deposited into Treasury Rs.205,000 (This item Rs.28,810)

For Audit observation, *see* Sr.No.27 above

30-8-95: The para was settled subject to verification of recovery by Audit.

The Department explained that full recovery had been made and got verified by Audit.

The para was settled accordingly.

33. Para 9.17: Page 94 – Recovery of House Rent Not Made – Rs.200,000

Audit had observed: “Staff provided with Government accommodation for residential purpose in Lahore General Hospital did not pay house rent @5%, although they were not entitled to rent free accommodation vide Director Health Services, Lahore region, letter No.V-31-G/7431/G, dated 24th April, 1970. A sum of Rs.200,608 was recoverable for the years 1987-88 & 1988-89.”

30-8-95: The Committee directed that recovery of house rent should be effected at the rate of one-fourth pay of the concerned officers/officials and action should be taken against the person responsible for not deducting the rent as per rules.

The para was kept pending.

21-8-96: The Department explained that actual recoverable amount was Rs.132,368 and not Rs.200,608 as worked out by Audit. This difference had also been reconciled with Audit. An amount of Rs.48,429 had been recovered and got verified by Audit. The balance recovery was in process. An enquiry had also been conducted to fix responsibility for not deducting the house rent regularly and for issuance of NOC at the time of transfer/retirement of the concerned officers/officials.

The PAC directed the Department to pursue the balance recovery vigorously. The para was reduced to Rs.83,939 and kept pending for balance recovery.

29-12-98: The Department explained that a sum of Rs.109,146 had since been recovered and got verified by Audit (Rs.89,969+19,177). The balance recovery of Rs.23,222 was under process.

The P.A.C. directed the Department to complete the balance recovery and get the same verified by Audit within one month.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

34. Para 9.18: Page 95 – Suspected Embezzlement of Purchee Fee•Ambulance Charges Amounting to Rs.183,938.

Audit had observed: “Purchee fee was collected at 30 Rural Health Centres/Basic Health Units during the month of July, 1986 to June, 1989, amounting to Rs.144,145. Out of this, an amount of Rs.43,467 was not deposited into the Government treasury in contravention of rule 2.2 of P.F.R. Vol.I and appear to have been embezzled. Further another amount of Rs.100,678 had passed through the cash book and shown as deposited into Government account. The verification of challans by District Accounts Office showed that the said amount was not actually deposited and fake challans were noted in the cash book. That amount was also apparently embezzled. An amount of Rs.39,793 collected from patients during July, 1988 to June, 1990 was not deposited into Government Account as required under rule 2.2 of PFR Vol.I and appeared to have been embezzled.”

30-8-95: The para was settled subject to verification of deposit by Audit.

21-8-96: The Department explained that an amount of Rs.140,471 (Rs.100,678 + Rs.39,793) had been recovered and got verified by Audit. The amount of Rs.43,467 had also been recovered but not yet verified by Audit.

The PAC directed that the recovered amount of Rs.43,467 be got verified by Audit within one month. A.D.H.O., Dera Ghazi Khan was also directed to check the record pertaining to Rs.100,678. The para was kept pending.

29-12-98: The Department explained that a sum of Rs 140,471 had already been recovered and verified by audit. As to the balance of Rs. 43,467 the same had also been made good and got verified by D.A.O., Dera Ghazi Khan.

The P.A.C. directed that record pertaining to Rs. 43,467 may be produced to Audit for verification.

The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 29 December 1998, **the Committee settled the para subject to the following direction–**

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

35. Para 9.19: Page 95 – Non Recovery of House Rent etc. Rs.173,157

Audit had observed: “The doctors residing in Dream Land Hostel of Sir Ganga Ram Hospital were not paying any rent, electricity and gas charges etc. A sum of Rs.173,157 was worked out against various doctors relating to the period May, 1985 to March, 1990 and reported to the Department during

February 1991. A reminder was issued during May, 1991. No reply was, however received. Recoveries needed to be effected and appropriate action taken against the defaulters.”

30-8-95: The Committee directed that Trainees/House Job Doctors should be given free accommodation but house rent from the permanent Doctors should be charged. The Department was directed to issue an exemption order in respect of House job doctors and trainees. Subject to above directive, the para was settled.

21-8-96: The Department explained that the case had been referred to the Finance Department for the grant of exemption of rent in respect of House job doctors and trainees. On receipt of the said exemption from the Finance Department, a notification would be issued accordingly.

The PAC directed that the said exemption certificate should be arranged early. Recovery of House Rent from permanent doctors may be effected within one month. The para was kept pending.

29-12-98: The Department explained that exemption certificate for interneers was under consideration by the Finance Department and notification was awaited. The Finance Department had also been requested to declare the concerned room as “duty room”.

The P.A.C. directed to comply with the previous directive of P.A.C. dated 21.8.96 within one month positively. The P.A.C. also directed that Health Department and Finance Department should sit together to settle the issue.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

36. Para 9.20: Page 96 – Misuse of Government Vehicles Rs.143,334

Audit had observed: “During 1989-90, expenditure of Rs.143,334 was incurred on the purchase of P. O.L by Distt. Health Officer, T.T.Singh for Government vehicles. The log books and relevant record thereof were not maintained in accordance with the instructions, contained in Government letter No. TO (SGA&ID)2-77/75, dated 11.4.1978 as:-

- i) Point to point journey was not recorded.
- ii) Mileage of each journey was not shown separately.
- iii) Duty slips for use of vehicles were not issued by the transport officer.
- iv) Duty orders, tour diary and approved programmes were not made available for scrutiny.”

30-8-95: The para was settled subject to the condition that, in future, log books should be maintained strictly according to the rules and regulations.

37. Para 9.21: Page 96 – Overpayment of Rs.135,900

Audit had observed: “A sum of Rs.135,900 was fraudulently overpaid to two firms by the District Health Officer, Lahore during June, 1989 by increasing the tendered/accepted rates of the store articles through addition of a zero at the end of the figure, making it ten times more.”

30-8-95: The Committee directed that the Director General, Health, Dr. Sajjad Rizvi, Deputy Director Audit and Mr. Ansar Khan, Additional Secretary Health should hold an inquiry in the matter and complete it within two months. The Committee also directed that, in future, whenever there was embezzlement in any Government Department criminal case should be lodged with the Anti-Corruption Department instead of the local police.

The para was kept pending.

21-8-96: The Department explained that as per directives of PAC dated 30-8-1995 Scrutiny Committee comprising the Director General, Health Services, Deputy Director Audit, Punjab and the Additional Secretary (General) inquired into the matter. The said Scrutiny Committee reported that no embezzlement was found to have been committed.

In view of the above mentioned explanation of the Department **the para was settled.**

38. Para 9.22: Page 96 – Payment Made to MSD without Receipts of Medicine Rs.125,000

Audit had observed: “An amount of Rs.125,000 (part of Rs.760,584) was adjusted in July, 1989 by M.S.D on account of supply of 250,000 capsules of oxytetracycline whereas the same were not actually received as per stock register and also confirmed by the ADHO Jaranwala during the course of audit.”

30-8-95: The explanation of the Department was accepted and **the para was settled.**

39. Para 9.23: Page 97 – Wasteful Expenditure on Purchase of ACTH Injections Rs.118,380

Audit had observed: “A.D.H.O. Jaranwala purchased 600 ACTH Injections worth Rs.118,380 during 7/89 from M.S.D. through Vr. No. 96 for 7/89. All these injections were issued by A.D.H.O to Basic Health Units by 8/89. All the Basic Health Units had shown full consumption thereof by 30.9.1989 which is tantamount to fictitious consumption. All this happened through collaboration of all the parties including the supply firm.”

30-8-95: The para was settled subject to the condition that the Department should be careful in future and avoid such practice.

40. Para 9.24: Page 97 – Non Deposit of Part of Bid Amount for Cycle Stand Rs.102,000

Audit had observed: “In a D.H.Q. Hospital a contractor was given the lease of cycle stand of the hospital of Rs.272,000. The hospital administration only received Rs.170,000 from the contractor and failed to recover the remaining amount of Rs.102,000.”

30-8-95: The Public Accounts Committee observed that under the circumstances explained by the Department, the chances of recovery of the amount were remote. The Committee **settled the para.**

41. Para 9.25: Page 97 – Non Accountal of Medicines worth Rs.96,600

Audit had observed: “Medicines worth Rs.96,600 purchased by A.D.H.O.Alipur, Muzaffargarh during May, 1989 and June 1989 from the local market. The stock books and expense registers showed that those were neither taken in stock nor shown as expended in subsequent months. The medicines were therefore, misappropriated.”

30-8-95: The Department explained that stock entries of medicines worth Rs.96,600 were available in the books.

The Public Accounts Committee after hearing the Audit, observed that said entries were made afterwards and such belated entries of consumable items could not be accepted. Therefore, recovery from the defaulter might be effected. The para was kept pending.

21-8-96: The Department stated that the matter was thoroughly probed and recovery had since been ordered from the then A.D.H.O., Alipur, Muzaffargarh. The D.H.O. Muzaffargarh and D.A.O. had been directed to effect recovery from the defaulter.

The Committee took serious notice of delay in the compliance of previous directive of PAC dated 30.8.1995 and again directed that its previous directive dated 30.8.1995 be complied with in letter and spirit and the recovery may be effected from the defaulter within 6 months. The para was kept pending.

29-12-98: The Department explained that the officer/official had got stay order from the court against the orders of recovery. As such the matter was subjudice.

The P.A.C. directed the Department to initiate disciplinary action against the defaulters and court case may be pursued vigorously.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

42. Para 9.26: Page 98 – Outstanding Recovery of Rs.82,598

Audit had observed: “A sum of Rs.82,598 was recoverable on account of telephone charges, being

over and above the permissible limit in respect of telephones installed at the residence of various professors of K.E. Medical College, Lahore.”

30-8-95: The para was settled subject to reconciliation with Audit and verification of recovery by Audit.

21-8-96: It was explained by the Department that an amount of Rs.68,752 had been recovered and verified by Audit. The amount of Rs.3,406 was shown through a miscalculation of figures and therefore, it was not recoverable. The amount of Rs.10,440 was pertained to Hostel Warden’s Office. The office premises were also being used by the Warden as residence. Therefore, the expenses of Rs.10,440 were official and not private.

The Committee observed that in future no premises should be used as office cum residence. **The para was settled.**

43. Para 9.27: Page 98 – Overpayment of Conveyance Allowance Rs.63,170

Audit had observed: “Conveyance allowance is not admissible to Govt. Servants residing within the boundary walls of the area in which office and residential buildings are located. The staff of Punjab Medical College, Faisalabad was paid conveyance allowance from March, 1990 to November, 1990 which was not admissible. This resulted in an overpayment of Rs.63,170.”

30-8-95: As the recovery had been effected and verified by Audit, **the para was settled.**

44. Para 9.28(1): Page 98 – Irregular Purchase of Medicines For Rs. 60,200

Audit had observed: “District Health Officer, R.Y.Khan purchased medicines in the capacity of D.D.O out of budget allocation of Tehsil Headquarter Hospital, Sadiqabad during the month of December, 1987 for Rs.30,700 and during May, 1988 for Rs.29,500. The following irregularity was found in purchase.

The medicines were not taken in stock of Tehsil Headquarter Hospital, Sadiqabad.

Since the medicines were of generic nature and not of monopolized nature, these were manufactured by different pharmaceutical firms. Quotations required under rule 15.2 (d) of PFR Vol.I to ensure economical purchase, were not called.”

30-8-95: The Department was directed to produce the stock register 12•L of D.H.O. Rahim Yar Khan alongwith relevant registers of RHCs/BHUs, to whom medicines were issued to Audit for scrutiny and verification. Subject to the said verification, **the para was settled.**

45. Para 9.28(2) : Page 98 – Irregular Purchase of Medicines For Rs.60,200

For Audit observation, *see* Sr.No.44 above

21-8-96: The Department explained to the Committee that District Health Officer, Rahim Yar Khan, purchased medicines in his capacity as D.D.O. out of budget allocation of the

Tehsil Headquarters Hospital and distributed the same to various R.H.C., B.H.U. etc.

The PAC observed that the Department was directed on 30-8-1995 to produce the relevant record to the Audit for verification but despite the lapse of one year it had not been done. The PAC again directed the Department to comply with the above-said directives in letter and spirit within two months.

The para was kept pending.

29-12-98: The Department explained that requisite record i.e. stock register showing the account of medicines purchased and their bona fide consumption had been got verified by Audit.

The P.A.C. accepted the explanation and **the para was settled.**

46. Para 9.29: Page 99 – Illegitimate Drawal and Payment of House Rent Allowance Rs.52,388

Audit had observed: “Five staff members of Distt. Health Officer, Sahiwal had been availing the facility of Government accommodation in hospital premises for different periods, during July, 1986 to May, 1990. They were entitled to free accommodation, but were not entitled to get house-rent allowance as residential accommodation was provided to them. Contravening the above procedure they were paid house rent allowance @30% of their scale, which resulted in an over payment of Rs.52,388.”

30-8-95: The para was settled subject to verification by Audit.

21-8-96: The Department explained that residences in question were occupied for the period from 4/90 to 6/90 and rent of that period amounting to Rs.6,432 had been recovered and verified by Audit. Prior to 4/90 the accommodations were not under the occupation of any person.

The PAC observed that the Department was directed on 30-8-1995 to get the facts of the case verified by Audit but despite the lapse of one year nothing had been done in this connection.

The Department was directed that D.H.S. Multan should be deputed to hold an enquiry to ascertain as to when the building was completed, when it was handed over to the Department and when it was allotted for residential purposes. The inquiry be completed within two months positively.

The PAC also directed the Department to provide the particulars of the occupants showing period of their residence. The para was kept pending.

29-12-98: The Department explained that the matter was enquired into and it was found that actual recoverable amount was Rs. 29,348 and not Rs.52,388 as shown by Audit. The whole amount of Rs. 29,348 had since been recovered.

The P.A.C. directed that completion certificate of the residential building in question and other record relating to recovery may be produced to Audit for verification.

The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 29 December 1998, **the Committee settled the para subject to the following direction–**

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

47. Para 9.30: Page 99 – Doubtful Expenditure on Repair of Furniture•Rs.50,415

Audit had observed: “An expenditure of Rs.50,415 was incurred by the A.D.H.O, Jaranwala during the period from 1/90 to 6/90 on the repair of furniture of various health units. The expenditure was beyond the competency of A.D.H.O empowered to sanction upto Rs.2,000 only. All the vouchers/quotations were fictitious as the same were prepared on plain papers.”

30-8-95: The explanation of the Department was accepted and **the para was settled.**

48. Para 9.31: Page 100 – Likely Misappropriation of Rs.44,139

Audit had observed: “Articles of similar nature were purchased at a cost of Rs.44,139 intermittently during 1989-90, by the District Health Officer, T.T.Singh. Neither the material was taken on stock register nor expense account produced to audit. Moreover, the purchases were made piece meal against the provision of rule 15.2 (c) of PFR Vol.I. As such the possibility of misappropriation of stores cannot be ruled out.”

30-8-95: The para was settled subject to verification of record by Audit.

21-8-96: The Department explained that Kerosene Oil, Broom Sticks, Soap and some other articles were purchased on different occasions according to the requirements and as such there was no misappropriation involved in this case.

The PAC directed that the relevant stock/record in different Rural Health Centres and Basic Health Units alongwith the detail of their consumption may be got verified by Audit within two months. The para was kept pending.

29-12-98: The Department explained that record was produced to Audit for verification and during verification the Audit contended that expenditure was split up and that it may be got regularized by the Competent Authority. Accordingly the Secretary Health Department had regularized the said expenditure.

The P.A.C. accepted the explanation and **the para was settled.**

49. Para 9.32: Page 100 – Non•Production of Record to Verify Expenditure of Rs.44,049

Audit had observed: “An expenditure of Rs.44,049 was incurred during 1989-90 by the District

Health Officer, T.T.Singh on account of T.A/D.A. The relevant record was not produced for verification at the time of local audit.”

30-8-95: The explanation of the Department was accepted and **the para was settled.**

50. Para 9.33: Page 100 – Record Not Produced•Rs.44,189

Audit had observed: “Record involving expenditure of Rs.44,189, drawn during June, 1990 on account of payment of electricity bills/telephone bills etc., alongwith record of various Rural Health Centres was not produced to audit.”

30-8-95: The explanation of the Department was accepted and **the para was settled.**

51. Para 9.34: Page 101 – Amount Under Taken in Surety Bond Not recovered

Audit had observed: “One staff nurse was appointed with effect from February 21, 1987 after completion of training, with the undertaking that she will serve the department for 3 years for which she signed a surety bond for Rs.40,000 she absconded from duty w.e.f April 14, 1988 and failed to abide by the terms of appointment.”

30-8-95: The explanation of the Department was accepted and **the para was settled.**

52. Para 9.35: Page 101 – Irregular Payment of House RentRs.40,298

Audit had observed: “House rent allowance amounting to Rs.40,298 was drawn by doctors to whom residence were provided by the hospital/Government. The amount needed to be recovered from the individuals concerned.”

21-8-95: The Department explained that actual recovery was Rs.18,585 and not Rs.40,298 as pointed out by Audit which had been made good from the concerned Doctors (i) Dr. Zafar Hussain Rs.11,151 (ii) Dr. Naseem Ullah Malik Rs.3,097 and (iii) Dr. Tahir Mahmood Rs.4,336/50. The amount of Rs.13,949 shown against Dr. Aftab Ahmad was not recoverable as no Government accommodation was provided to him.

The PAC directed that relevant record showing the reduction of the recoverable amount from Rs.40,298 to Rs.18,585 may be got verified by Audit. The para was kept pending.

29-12-98: The Department explained that the actual recoverable amount was Rs. 21,383 which had since been recovered and got verified by Audit.

The P.A.C. accepted the explanation and **the para was settled.**

53. Para 9.36: Page 101 – Non Recovery of Laboratory Test Charges Rs.38,865

Audit had observed: “Laboratory test charges were required to be recovered from the patients at the rates prescribed by Govt. in its circular letter No. SO(H&D) 12-13/73, dated 11.11.1985, but the same were not realized by the Distt. Health Officer, T.T.Singh during 1989-90.”

21-8-96: The Department explained that all the laboratory tests were done free of cost for the entitled persons. Moreover the letter No.SO(H&D)12.13/37 dated 11.11.1985 did not contain any such instructions for Rural Health Centres. Therefore, there was no question of any recovery to be made.

The PAC observed that fee for laboratory tests was being charged in different rural Health Centres. Therefore, the Department should issue a circular to all the Rural Health Centres to bring the Government instructions on the subject to the notice of all concerned. With the above observation **the para was settled.**

54. Para 9.37: Page 102 – Non-Realization of Sui Gas And Electricity Charges Rs.37,800

Audit had observed: “Government sustained loss of Rs.37,800 as the M.S., D.H.Q, Hospital, Faisalabad, did not realise the sui-gas and electricity charges from the contractors who were supplied hospital connections, for use of sui-gas & electricity for canteen, cycle stand and general shop.”

21-8-96: The Department explained that full amount of Rs.37,800 had been recovered and verified by Audit. **The para was settled.**

55. Para 9.38: Page 102 – Irregular Re-Appropriation of Contingent Grant Rs.36,890

Audit had observed: “Expenditure out of contingent grants of 1989-90 was banned by Govt. during 6/90. The DHO, T.T.Singh re-appropriated the funds of Rs.36,890 from sub-heads of contingent grant to T.A which was against the orders of F.D. contained in its letter No.B-I-3(21)/61, dated 21.10,1974 and dated 23-4-1975.”

21-8-96: The Department explained that re-appropriation was in order and permissible in accordance with the prevalent rules. The expenditure was incurred after approval of the re-appropriation from the Competent Authority i.e. D.H.S., Faisalabad.

The Finance Department and the Audit Department opined that re-appropriation was made from the Head of T.A. which was not permissible under the rules.

The PAC directed that irregular expenditure may be got regularized from the Competent Authority within two months. The para was kept pending.

29-12-98: The Department explained that as per previous directive of P.A.C. the irregular expenditure had been got regularized by the Secretary Health Department being Competent Authority in this regard.

The P.A.C. accepted the explanation and **the para was settled.**

56. Para 9.39: Page 102 – X Ray Cases Free of Charge Rs.32,300

Audit had observed: “During the period July, 1989 to June, 1990 1292 X-Ray cases were processed free of charge without any orders of Medical Superintendent of the Hospital. Thus the Government sustained a loss of Rs.32,300 due to non-recovery of X-Ray Charges.”

21-8-96: The Department explained that the matter was investigated in detail and it was found that X-Ray facilities were provided to the persons entitled under the rules and necessary entries to this effect had been made in the X-Ray register maintained for the purpose. The chits were destroyed after making entries in the relevant register as per practice. It was stressed that there was no financial irregularity as the patients were provided the X-Ray facility according to their entitlement.

The PAC directed that relevant register may be shown to the Audit for verification of facts. The para was settled subject to said verification of relevant X-Ray register by Audit.

29-12-98: The Department explained that as per previous directive of P.A.C. the relevant record had been got verified by the Audit.

The P.A.C. accepted the explanation and the **para was settled.**

57. Para 9.40: Page 103 – Non Production of Record

Audit had observed: “The payment of Rs.28,941 was made by A.D.H.O, D.G. Khan for the purchase of bedding, clothing articles and blankets to Shahdara Cotton Factory and Govt. Woolen Factory Jhang during March, 1987.

The acknowledgement of the receiving Factories in token of having received the money as required under rule 2.22 of PFR Vol.I was not shown. The articles ordered were also not received inspite of lapse of three years.”

21-8-96: The Department explained that all the record had been shown to Audit.

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

58. Para 9.41: Page 103 – Shortage of Platinum Cups Valuing Rs.26,675

Audit had observed: “Two platinum cups were taken on stock while preparing a new stock register in the office of Government Public Analyst, Lahore on 21st March, 1985 against the balance of 5 cups being shown in the old register since 6th August, 1977. Thus three cups were less accounted for in the stock. A sum of Rs.325 was recovered from a doctor on account of depreciated value of one cup which was purchased during 1963 at a cost of Rs.35 whereas no action was taken in respect of remaining two cups. The price of articles made of precious metals like gold & platinum etc. depended upon the weight of metal and prevailing rate of that metal. It was not regulated by depreciation on the original purchase value. The weight of cups purchased during 1963 was 23/24 grams each. Two platinum cups of 43

grams each were purchased during 1985-89 @ Rs.18,000 each. Consequently the prevailing value of used 23/24 grams platinum cups was assessed @ Rs.9,000 each and accordingly the government was put to a loss of Rs.26,675 due to the shortage of three cups. However, the department failed to exercise proper care for the safe custody of such precious articles and Govt. had to sustain a heavy loss.”

21-8-96: The Department explained that the platinum cups purchased in 1963, remained in constant use for 30 years with acids and other chemicals. With the constant and extensive use the cups had become un•serviceable. One of these cups had torn to pieces and lost. Later on one more cup was lost. A Technical Committee was formed to investigate the loss of 2 cups. The Committee found that the cups had worn out due to constant use. It was also opined that no responsibility could be fixed at this stage for the damaged and lost cups. The recovery of Rs.650 from Mr. Manzoor Ahmad Qureshi was not realistic and without any concrete evidence. It was suggested that said recovery may be made from laboratory staff.

Accordingly the recovery of Rs.650 had been effected and deposited in the government Treasury. Additional Secretary also assured the Committee that he himself had examined the cups and it is a fact that due to their constant extensive use for last 30 years these cups had worn out completely.

The Committee directed that for comparative examination of cups one new cup and one old cup may be produced before the PAC in the next meeting, so that the matter could be decided finally. The para was kept pending.

29-12-98: The Department explained that an amount of Rs. 970 had been recovered from the person concerned.

The P.A.C. accepted the explanation and **the para was settled.**

59. Para 9.42: Page 104 – Appointment of Cooks Without Any Job Rs.26,970

Audit had observed: “District Health Officer, Bhakkar appointed five cooks during 1990 for five Rural Health Centres where no provision for supply of diet existed. The irregularity was admitted by the Department and their services were terminated on 2.10.1990. Un-justified appointments resulted in undue burden on public exchequer to the extent of Rs.26,970.”

21-8-96: The Department explained that appointments of cooks were made against sanctioned posts. However, the Health Department terminated the services of these cooks as under the policy the cooks were not required. The effected persons obtained orders from the court for their reinstatement.

The PAC observed that either the Department should abolish all such posts or their nomenclature should be changed according to actual requirements. With this observation **the para was settled.**

60. Para 9.43: Page 104 – Shortage of Store Articles Worth Rs.25,658

Audit had observed: “Store articles worth Rs.25,658 were found short during the years July, 1987 to June, 1989, at the time of transfer of charge between the store keepers/Nurses incharge of the wards as

per stock register.”

21-8-96: The Department explained that actual shortage was of Rs.2,134 which had been recovered and deposited into Government Treasury. The remaining articles amounting to Rs.23,523 had been properly entered in the stock register.

The PAC directed that stock register may be produced to Audit for verification within two months. The para was kept pending.

29-12-98: The Department explained that relevant record had been got verified by Audit in compliance of the directive of P.A.C.

The P.A.C. accepted the explanation and **the para was settled.**

61. Para 9.44: Page 104 – Purchase of Stationery Without Observing Codal Requirement – Rs.24,906

Audit had observed: “During 1989-90 District Health Officer, T.T.Singh, purchased stationery worth Rs.24,906 without observing the instructions regarding economical purchases contained in Rules 15.2(ii) of PFR Vol.I read with F.D letter No.FD/Account (A&A)1-4/70 dated 22.3.1975 regarding placing indent with Stationery Department. Moreover the purchases were made beyond competency as DHO was empowered to accord sanction upto Rs.5,000 only.”

21-8-96: The Department explained that the Government Printing Press had been delaying the supply of stationery items and supply was made in installments. Therefore, these were purchased locally but the concerned officer did exceed his powers in making local purchase.

The Committee was not satisfied with the explanations of the Department and directed the Administrative Secretary to hold an enquiry to ascertain as to why the rules/regulations were violated and what was the nature of urgency.

The Finance Department was also directed to proceed against the concerned D.A.O. who passed the bill in violation of the rules/regulations on the subject. The para was kept pending.

29-12-98: The Department explained that enquiry had been conducted as per previous directive of P.A.C. dated 21.8.96 and it was found that stationery was purchased on different dates. Each time the expenditure did not exceed Rs. 250. The expenditure was incurred from different heads of accounts. The expenditure was incurred within the competence.

The P.A.C. accepted the explanation and **the para was settled.**

62. Para 9.45: Page 105 – Irregular Purchase of Medicines for Rs.24,488

Audit had observed: “an amount of Rs.24,488 was drawn on May 23, 1989 from treasury for the local purchase of medicines. the payment was made to a firm, but the medicines were not supplied as no entry existed in the stock register. The payment was also drawn in advance in violation of rule 2.10(2)(5)

of PFR Vol.I by giving a fake certificate to the effect that the medicines have been received in correct quantity.”

21-8-96: The Department explained that medicines worth Rs.24,488 were supplied by the firm but the delivery was misrouted. However, the medicines were received from the contractors, their stock entries as well their distribution to various Health Centres was made.

The PAC observed that the amount of Rs.24,488 was drawn in May 1989, the payment to the supplier/contractor was made in June 89, medicines were received in 8/1991 and the same were distributed in 4/1992. The deal was started in 5/1989 and completed in 4/1992. This showed that the medicines were not urgently required and their local purchase was just a pretext to cover the drawal of Rs.24,488 from the treasury.

It was directed that the amount of Rs.24,488 may be recovered from the defaulter. Disciplinary action under E & D Rules may also be taken within three months positively. The para was kept pending.

29-12-98: The Department explained that as per direction of P.A.C. the case was under consideration with the competent Authority for disciplinary action against the defaulter.

The P.A.C. kept the para pending for disciplinary action against the defaulter and also for recovery of loss from him.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall implement the directive of the PAC dated 29 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

63. Para 9.46: Page 105 – Non•Deduction/Less Deduction of Income Tax Rs.23,635

Audit had observed: “Income Tax amounting to Rs.23,635 was less deducted at source during 1989-90 by M.S., D.H.Q Hospital, Faisalabad from the contractors, whose supplies exceeded Rs.50,000 during the year as required under Section 50(4) of Income Tax Ordinance, 1979.”

21-8-96: The Department explained that the amount in question would be transferred to proper Head of Account within one month.

The PAC directed that the amount of Rs.23,635 may be transferred to proper Head of Account (Income Tax Receipt Head) without delay. The para was kept pending.

29-12-98: The Department explained that in compliance with the directive of P.A.C. the amount of Rs.23,635 had been transferred to the proper Head of Account and position had also been verified by Audit.

The P.A.C. accepted the explanation and **the para was settled.**

64. Para 9.47: Page 105 – Loss of Oxygen Cylinder Fittings

Audit had observed: “A sum of Rs.152,880 was paid to M.S.D. for supply of 140 oxygen fittings. The M.S.D. supplied the ordered quantity vide voucher No. 610 in June 29, 1989, but only 120 oxygen fittings reached the Hospital and remaining twenty were lost in transit causing loss of Rs.21,840 to Government.”

21-8-96: The Department explained that stock of various kinds of fittings was being carried to Multan but a packet containing 20 Nos. Oxygen fittings worth Rs.21,840 fell in between Sahiwal and Mian Channu as the vehicle was without back screen. Every efforts was made to search the missing packet but in vain. A case had been registered with the police. Departmental enquiry was also conducted and the enquiry officer did not held the dispenser responsible for the loss who was accompanying the store being supplied to Multan. A case for the write off sanction of loss was sent to Finance Department. The Finance Department accorded the write off sanction. The explanation of the Department was accepted and **the para was settled.**

65. Para 9.48: Page 106 – Embezzlement of Purchee Fee Rs.19,089

Audit had observed: “A sum of Rs.19,089 was realized by D.H.O, T.T.Singh on account of purchase fee from patients in various Rural Health Centres during the period from 7/89 to 11/90 but the same was not deposited into Government Treasury and appears to have been embezzled.”

21-8-96: The Department explained that full recovery had been effected and deposited into Government Treasury. The explanation was accepted and **the para was settled.**

66. Para 9.49: Page 106 – Admission Fee/Purchee Fee Collected But Not Deposited•

Audit had observed: “At three health centres of D.H.O Muzaffargarh, Purchee Fee, X-Ray Fee and Admission Fee amounting to Rs.16,891 was collected during August, 1989 to June, 1990, but was not deposited into Government treasury and was misappropriated.”

21-8-96: The Department explained that full amount had been recovered and deposited into Government Treasury. Disciplinary action had also been taken against the defaulter. The explanation was accepted and **the para was settled.**

67. Para 9.50: Page 106 – Shortage of Stores Articles Rs.16,607

Audit had observed: “Store articles were found short at the time of transfer of charge of store keepers.”

21-8-96: The Department explained that recovery of Rs.9,211 had been effected. An enquiry for the remaining amount of Rs.7,336 was conducted and it was found that un-serviceable articles worth Rs.7,336 were lying in the store of Rural Health Centre, Allahabad. The explanation was accepted and **the para was settled.**

68. Para 9.51: Page 107 –Medicines Not Taken on Stock

Audit had observed: “Assistant District Health Officer, Liaqatpur issued medicines valuing Rs.16,500 to four Rural Health Centres during the period December, 1988 to June, 1989. These were not taken in stock by the receiving centres and were misappropriated.”

21-8-96: The Department explained that an amount of Rs.6,389 had been recovered and all out efforts were underway for the remaining recovery of Rs.10,111.

The para was settled subject to recovery of balance amount of Rs.10,111 and its verification by Audit.

29-12-98: The Department explained that the whole amount of Rs. 16,500 had since been recovered and got verified by Audit. The P.A.C. accepted the explanation and **the para was settled.**

69. Para 9.52: Page 107 – Shortage of Store Articles/Medicines

Audit had observed: “Various articles of stores and medicines of various wards of District Headquarters Hospital, Rahim Yar Khan worth Rs.15,142 were found short at the time of physical verification of stores.”

21-8-96: The Department explained that total amount of Rs.15,142 had been recovered and got verified by Audit. A warning had also been issued to the defaulter. The explanation was accepted and **the para was settled.**

70. Para 9.53: Page 107 – Less Deposit of Government Share of X•Ray and Laboratory Charges Rs.14,577

Audit had observed: “In accordance with the instructions of the Govt. of the Punjab, Health Deptt., M.S. Govt. T.B. Hospital, Sargodha was required to deposit 60% of x-ray & Laboratory charges as Govt. share but contrary to this only 45% of the charges were deposited into Treasury during 1987-88. This resulted in a loss of Rs.14,577 to Government.”

21-8-96: The Department explained that government share out of X•Ray charges and lab:

charges was correctly deposited in the Government Treasury in accordance with the apportionment fixed by the Government vide No.SO(H&D) 88•22/88 dated 20•9•1988. Therefore, no less deposit was involved. The explanation of the Department was accepted and **the para was settled.**

71. Para 9.54: Page 108 – Recovery Outstanding Against the Contractor Rs.14,875

Audit had observed: “An amount of Rs.14,875 on account of contract (auction) money of canteen and cycle stand for the period December, 1989 to June, 1990 was not recovered by the Medical Superintendent T.H.O Hospital, Gojra, T.T.Singh from the contractor.”

21-8-96: The Department explained that the total recovery of Rs.14,875 had since been effected and got verified by Audit. The explanation was accepted and **the para was settled.**

72. Para 9.55: Page 108 – Non/Less Recovery of Income Tax Rs.13,356

Audit had observed: “D.H.Q Hospital either failed to deduct or deducted less income tax amounting to Rs.13,356 from the firms making supplied etc. exceeding Rs.50,000 in a year under section 50 (4) of the Income Tax Ordinance, 1979.”

21-8-96: The Department explained that the amount in question was deposited in the Head 125200•Health, Hospital, Receipts. The same would be reclaimed through refund voucher and would be deposited in proper Head “Income Tax Receipt Head”.

The Department was directed to deposit the amount in the “Income Tax Receipt Head” within one month. The para was kept pending.

29-12-98: The Department explained that the amount of Rs.13,356 had since been adjusted in the proper Head of Account and got verified by Audit. The P.A.C. accepted the explanation and **the para was settled.**

73. Para 9.56: Page 108 –Excess Payment on Medicine of Low Potency

Audit had observed: “The rate of Rs.2.50 offered by a firm for the supply of strychnine tablets weighing 300 gm. each was approved but the tablets weighing 200 gm. each were actually supplied at the same rate of. 15,000 tablets were purchased. Which resulted in overpayment of Rs.12.450 due to differential price.”

21-8-96: The Department explained that the total amount of Rs.12,450 had been recovered and got verified by Audit. **The para was settled.**

74. Para 9.57: Page 109 – Overpayment of Non-Practising Allowance Rs.9,929

Audit had observed: “The amount of Rs.9,929 on account of non-practising allowance, was paid to Dr. Anwar Mohy-ud-Din & Dr. Muzaffar Jalal Niazi, during 1985-88, over and above their entitlement.”

21-8-96: The Department explained that the recovery of Rs.4,602 was not possible as the concerned Dr. Anwar Mohy-ud-Din had since expired. Write off sanction of Rs.4,602 had been accorded by the Finance Department. The remaining amount of Rs.5,326/71 had been recovered and got verified by Audit. The explanation was accepted and the **para was settled.**

75. Para 9.58: Page 109 – Embezzlement of Rs.8,790 Through Less Deposit of Admission Fee

Audit had observed: “In D.H.Q Hospital, Faisalabad, a sum of Rs.110,490 was realized on account of admission fee from patients during 1989-90, whereas Rs.101,700 were deposited in treasury leaving balance of Rs.8,790. The amount less deposited appears to have been embezzled.”

21-8-96: The Department explained that the amount of Rs.8,790 had been recovered and got verified by Audit. Accordingly **the para was settled.**

76. Para 9.59: Page 109 – Contract of Fruit Shop – Recovery Outstanding Rs.8,000

Audit had observed: “An amount of Rs.8,000, out of contract money of Rs.24,000 for the year 1989-90, was still outstanding against the contractor who left the fruit shop in D.H.Q Hospital, Faisalabad on 5.7.1990. The shop remained open throughout the year.”

21-8-96: The Department explained that the total recovery of Rs.8,000 had been effected and got verified by Audit. The explanation was accepted and **the para was settled.**

77. Para 9.60: Page 110 – Overpayment and Non Accountal of Medicines

Audit had observed: “Medicinal tablets were purchased on 17.4.1989 @ Rs.141/75 per one thousand packing by A.D.H.O, Alipur, Muzaffargarh whereas the same medicine was purchased on 12.4.1989 and 27.5.1989 at Rs.160 per thousand. Due to purchase at higher rate an overpayment of Rs.4,015 was made.

Further against the supply of another 25000 medicinal tablets on 17th April, 1989, only 2500 tablets were entered in the stock register resulting in short accountal of 22500 tablets valuing Rs.3,778.”

21-8-96: The Department explained that the total amount of Rs.7,793 had been recovered and got verified by Audit. **The para was settled.**

78. Para 9.61: Page 110 – Likely Misappropriation of Medicines Worth Rs.6,589

Audit had observed: “During 1989, Assistant District Health Officer, Faisalabad issued medicines worth Rs.6,589 from his main store to the Basic Health Unit 57/J.B. District Faisalabad. But, neither the stock entry thereof was available in the record of Basic Health Unit nor was consumption account shown to audit. The medicines seem to have been misappropriated.”

21-8-96: The Department explained that the requisite record showing stock entries and consumption account had been traced and got verified by Audit. **The para was settled.**

79. Para 9.62: Page 111 – Irregular Purchase of Various Instruments and Store Articles Worth Rs.98,000,000 Without Demand

Audit had observed: “Instruments worth millions were purchased without any demand and had been lying in M.S.D for three to more than twenty years. For example articles worth Rs.98,000,000 were found lying in B-II section since February 1978 as detailed in Annexure ‘E’ enclosed with original Para. Purchase was not made according to the M.S.D Manual.”

21-8-96: The Department explained that the matter relates to the purchase of (i) instruments worth Rs.97,154,959 and (ii) packing material amounting to Rs. 309,192. So far as packing material was concerned, the loss of Rs.123,415, in respect of 137128 plastic bottles, had to be written off because the pharmaceutical factory for which the plastic bottles were purchased was closed. Further, the case for write off of the loss of Rs.185,777 with regard to the plastic bottles was under consideration. The Audit informed the Committee that issuance of instruments, valuing Rs.72,129,681 to various hospitals had been verified by them. Verification of the issuance of packing material worth Rs.74,549 had also been done.

The Department apprised the Committee that these cases were also probed by the Special Committee constituted by the PAC-II for detailed enquiry of the similar paras pertaining to the Audit Report for the year 1992-93 and requested that consideration of this para may also be referred to the said Special meeting of PAC-II. The PAC acceded to the request of the Department and referred the para to the Special meeting.

29-12-98: The P.A.C. in its meeting held on 29.12.98 referred this para to the Sub Committee consisting of (i) Mian Imran Masood, MPA, Convener (ii) Rana Sana Ullah Khan (MPA) and Mr. Akhtar Mehmood (MPA) for detailed examination of irregular purchase of various instruments and store articles without demand and to submit its report to the Public Accounts Committee for final decision.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

80. Para 9.63: Page 111 – Purchase of Potentially Hazardous X-Ray Machines Valuing Rs.23,907,623

Audit had observed: “A contract was made by the Health Department on 30.6.90 with M/S Akbar Brothers for the purchase of 70 No.X-Ray machines 100 MA worth Rs.23,907,623. The contract was made inspite of the fact that standing purchase committee and specialists committee had declared the

equipment a potential health hazard and a border line case regarding patients safety. Out of 70 X-Ray machines 65 were accepted and received in April, 1991 and remaining 5 found defective. Only two machines had been issued and sixty three were lying unused in Medical store Depot.”

21-8-96: The Department explained that according to the Government policy specification/panel of various type of equipments had to be updated from time to time. Therefore the updating of specification of X-Ray items was considered by the Health Department. This specification/panel for the 100 AM X-Ray equipment was considered in the meeting of D.S.C. held on 22.5.1990 and it was approved on 29.5.1990. The case was also examined by a Committee of specialists who viewed that technology of X-Ray machines was simple. Thus after observing all necessary requirements 70 X-Ray machines were purchased. Out of these 70 machines, 69 machines had been issued to the various hospitals/institutions and only one machine was lying in M.S.D. The Department also assured that all the 69 machines were working satisfactorily.

In view of the explanation of the Department the PAC settled the para subject to the certification by the Department about the satisfactory functioning of 69 X-Ray machines and verification of the said certification by Audit.

30-12-98: The Department explained that all the 70 X-Ray machines had been issued to different hospitals out of which 66 machines had since been installed and were working satisfactorily. The remaining 4 machines would also be installed within 6 months.

The P.A.C. directed that certificate to the effect that the said X-Ray machines were functioning properly may be produced to Audit for verification.

The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 30 December 1998, **the Committee settled the para subject to the following direction—**

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

81. Para 9.64: Page 111 – Loss Due to Expiry of Medicines and Chemicals Valuing Rs.11,430,475 Purchased Without Demand/Actual Requirement

Audit had observed: “In Medical Stored Depot., Lahore Medicines and chemicals were purchased in excess of actual requirement/without demand from hospitals and Distt. Health Offices contrary to the instructions contained in M.S.D Manual according to which no medicines could be purchased unless demanded by Hospital/DHOs. As a result the medicines/chemicals valuing Rs.11,430,475 expired, Government was thus put to a loss of Rs.11,430,475.”

29-10-96: The Department explained that medicines nearing expiry were given back to the supplier for replacement. Replacement of medicines worth Rs.1,999,119 was received and

these medicines were distributed to different hospitals. This fact had also been verified by Audit. The remaining replacement was under process.

The Committee observed that the supplier obtained double benefit in the deal i.e. first on the supply of medicines to the Department and then selling the rejected medicines worth Rs.9,431,356 in the open market without giving any replacement of the same to the Department. The Committee further questioned that when it was evident that purchases were made without demand/requirement, then, why the officer responsible for placing order for the purchase of the medicines was not proceeded against. As also, the officer who ordered to give the medicines back to the supplier for replacement, but did not pursue the replacement process, should had been proceeded against having acted against the public interest. As such, the PAC directed the Department to conduct an enquiry with the collaboration of Audit to ascertain:-

(i) Who was the officer responsible for placing orders of the medicines without any demand/requirement.

(ii) Who was the officer who returned the rejected medicines to the supplier without any security of replacement/recovery of cost of those medicines.

The enquiry and resultant action against the defaulters may be completed within two months. Criminal case may also be got registered, if legally required. The para was kept pending.

30-12-98: The Department explained that following suppliers were involved:-

<u>Name of Firm</u>	<u>Amount</u>
i) M/s. Akbar Brothers.	Rs. 2,821,960.87
ii) M/s. International Agency	Rs. 863,679.90
iii) M/s. M. M. Associates	Rs. 33,264.00
iv) M/s. Allied Agencies	Rs. 1,154,817.34
v) M/s. Shifa Labs:	Rs. 2,450,472.18
vi) M/s. Soekarno Lahore	Rs. 1,240,459.65
<u>Total</u>	Rs. 8,564,653.94

M/s. Soekarno Drug House and M/s. Shifa Labs had gone into litigation against the Department. The matter relating to the remaining 4 suppliers was under consideration of the Department.

The Secretary Health Department assured that the firm of M/s. Akbar Brother would be black listed.

The P.A.C. directed the Department that enquiry may be conducted and fix responsibility for purchasing the medicines either expired or without requirement and also to fix responsibility of the officer who returned the rejected medicines to the suppliers without getting the replacements. They may be proceeded against for the recovery of Government loss. Criminal case may also be registered against them, if possible under the law. The para was

kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

82. Para 9.65: Page 112 – Furniture Articles Worth Rs.11,126,376 Purchased Without Demand and Storage Capacity

Audit had observed: “In Government Medical Store Depot, Lahore furniture articles worth Rs.11,126,376 were purchased without demand and storage facility resulting in damage due to prolonged storage in the open.”

29-10-96: The Department explained that two persons, namely, Sheikh Muhammad Aslam, Additional Secretary and Syed Mazhar Hussain in the MSD, were responsible for the purchase of furniture on exorbitant rates. Both the officers had since retired. Sheikh Muhammad Aslam had received his gratuity, pension, etc but the emoluments of Syed Mazhar Hussain had been withheld. The Department also intimated that the said Additional Secretary was serving in the Service & General Administration Department at the time of retirement.

The PAC directed that the Chief Secretary Punjab, may be approached to ascertain as to how the said officer was allowed to get his retiring benefits despite the unsettled Draft Para against him, and who had issued NOC/NAC in his favour. The PAC also referred this para to the Special Committee of PAC-II. The para was kept pending.

30-12-98: The Department explained that both the officers had been retired before the fixation of responsibility. Anyhow, furniture valuing Rs.10,500,000 was available in various hospitals/institutions to whom the furniture was issued.

The P.A.C. was not satisfied with the explanation and observed that if the furniture valuing Rs.10,500,000 was available then what was that fate of remaining Government Funds of Rs.626,376. The Department had been taking a different stand in the matter on different occasions as previously the Department apprised the P.A.C. that pensionary benefits of Syed Mazhar Hashmi had been withheld but the Department was now silent about it. In the present explanation earlier the Department expressed that furniture had been issued to hospitals/institutions but later on the Department stated that the furniture was purchased for RHCs/BHUs. Therefore, it was not clear as to what was the actual position with regard to the furniture. However, it could easily be inferred that the said purchase of furniture was made without any requirement and later on the requirement was created to justify the purchase. Therefore, the P.A.C. directed that enquiry report conducted by the Special Committee in the matter may be produced

to audit for scrutiny. The list of furniture issued to different hospitals/institutions may also be provided to the Audit for verification. The matter as to how the retired officers got clearance for the payment of pension and commutation may also be probed and responsibility be fixed under intimation to P.A.C. Loss of Government money be recovered as arrears of land revenue.

The para was kept pending.

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

83. Para 9.66: Page 112 – Likely Loss of Rs.7,173,448 Due to Purchase of Medicines Without Demand

Audit had observed: “Medicines worth Rs.7,173,448 as detailed below were purchased without any demand/utility. Very small quantity of these medicines was found issued to hospitals during the period from 1986-87 to March, 1991 resulting in their likely expiry before use.”

29-10-96: This para related to the purchase of medicines worth Rs.7,173,448 without demand/utility. The Department explained that the para consisted of two parts, i.e. Rs.1,337,500 and Rs.5,835,948 so far as the first part involving the amount of Rs.1,337,500 was concerned it was stated that the amount stood included in Draft Para No. 9.64 for the year 1990•91 and therefore, it may be deleted from here.

So far as the second part, amounting to Rs.5,835,948, was concerned the Department explained that it pertained to the cost of medicines. The Committee was informed that the newly introduced products, worth Rs.10,705,000 were purchased from Messrs Evron Private Ltd. These medicines were specially entered in PVMS list with the approval of the Secretary Health. The medicines worth Rs.5,702,464 had been issued to various hospital/institutions. The medicines worth Rs.5,002,536 remained unconsumed. The supplying firm was under commitment as per terms of contract to refund the price of the un•consumed medicines. The firm was therefore, required to refund the amount of Rs.5,002,536 to the Government. The firm deposited an amount of Rs.726,300 in the Government Treasury leaving a balance of Rs.4,276,236 still to be recovered.

The Committee observed that it was a gross irregularity to make full payment to the firm for the new products.

The Committee directed that a thorough probe be made whether the newly introduced medicines had been included in the PVMS list with the approval of the then Secretary Health as contended by the Department in their explanation and whether the purchase was made with the approval of the then Secretary Health. It was further directed that recovery of Rs.4,567,236

should be effected from the Chief Purchase Officer and the concerned officials in the MSD. The para was kept pending.

30-12-98: The Department explained that full payment was made to the supplier in accordance with the terms and conditions of agreement. Anyhow, orders for effecting recovery of Rs. 4,276,236 as arrears of land revenue had been issued to the District Magistrate. But the said recovery had not been made due to court case.

The P.A.C. was not satisfied with the explanation of the Department and directed that Chief Purchase Officer and other concerned officer/officials may be proceeded against for disciplinary action under E & D Rules and recovery of Government money be made from them. Responsibility may also be fixed for not making recovery as directed by P.A.C. on 21.10.96 and defaulter be proceeded against. Court case may be pursued vigorously. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

84. Para 9.67: Page 113 – Irregular Carry Over of One Year’s Budget Provision to Next Financial Year Rs.4,983,735

Audit had observed: “In the Punjab Institute of Cardiology, Lahore budget allocation for the years 1988-89 and 1989-90 was utilized in the next financial year 1989-90 and 1990-91 respectively as detailed below:

Name of Scheme allocation Utilized during	Budget	
	1988-89	1989-90
ADP Scheme No.2227/17	681,600	681,600
ADP Scheme No.2225/15	450,000	450,000
	1,131,600	1,131,600
	1989-90	1990-91

Scheme for non-invasive facility in PIC, Lahore	552,000	552,000
Scheme for additional facility in PIC, Lahore	403,000	403,000
Scheme for central airconditioning in PIC, Lahore.	428,850	428,850
Scheme for addition of operation theatres in PIC.	2,468,285	2,468,285
3,852,135	3,852,135”	

29-10-96: The Audit brought to the notice of the Committee that budget allocation for the years 1988•89 and 1989•90 was utilized in the next financial year 19889•90 and 1990•91 in the Punjab Institute of Cardiology, Lahore which was against the financial rules.

The Department admitted that it was a financial irregularity but it was not committed for some ulterior motive and was simply a procedural mistake. However, the matter was being investigated by a High Powered Committee.

The Finance Department did not agree with this contention and stated that the allocations of a year could not be carried over to the following year. The Accountant General, Punjab, may intimate as to how the bills were passed and cheques issued when there was no allocation of funds in the budget estimate.

The Committee directed that the matter may be enquired into by the Secretary Health on the following three points:-

- (1) The Authority under which the amount of Rs.5,000,000 was carried over to next year?
- (2) Whether the amount of Rs.5,000,000 was incurred during the next year and was it justified?
- (3) How the office of the Accountant General, Punjab, passed the bills?

The para was kept pending.

30-12-98: The Department explained that enquiry was conducted and it was concluded that Project Director Col. Dr. Saleem Ahmad Khan Budget & Accounts Officer Ch. Ali Muhammad, Accountant Mr. Sohail Ahmad and Store Keepers M/s. Zafar Iqbal & Aftab were responsible for the irregularity. Case for disciplinary action had been referred to the Admn: Wing of the Department. As the bills were got cleared in connivance with office of the A.G. Punjab without Budget allocation, therefore, the A.G. Punjab had been apprised of the position to take action against the concerned persons.

The P.A.C. directed the Department to complete the action against the defaulters within three months. A.G. Punjab may also proceed against the concerned officers/officials for accepting the irregularity in Audit. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall implement the directive of the PAC dated 30 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

85. Para 9.68: Page 113 – Concealment of Purchase Bills and Cheques at the Time of Physical Verification Rs.4,476,874

Audit had observed: “At the time of physical verification of cash, store, stock and relevant record of the Mayo Hospital, Lahore on 1.7.1989. The cash book was found closed and cheques, worth Rs.783,284 were shown pending for want of delivery to the suppliers.

While carrying out regular audit of the said hospital in 2/1990 it was noticed that cash book closed on 30.6.1989 was re-opened, the closing balances scored out and payment amounting to Rs.4,476,873 shown made on 29.6.1989 and closing balances re-written. It is evident that cheques, bills and invoices were deliberately concealed from surprise audit check on 1.7.1989 to avoid detection of non receipt/account of heavy stores worth Rs.4,476,874.

The matter needs to be investigated and effective action taken against the defaulters for this clear violation of rules/instructions of Govt., of the Punjab.”

29-10-96: It was pointed out by the Audit that at the time of physical verification of cash, store, stock and relevant record of Mayo Hospital, Lahore on 1.7.1989, the cash book was found closed and cheques worth Rs.783,284 were shown pending for want of delivery to the suppliers. However, while carrying out regular Audit of the said hospital in February 1990, it was noticed that the cash book had been closed on 30.6.1989 but the same was re-opened. The closing balance already existing on the cash book was scored out and the payment amounting to Rs.4,476,874 was made on 29.6.1989 and thus the closing balance was re-written a fresh. This tantamounted to tampering with the cash book.

The Department admitted that although it was an irregularity yet there was no *malafide* intention involved. The Department further explained that an Audit Officer Mr. Imdad Hussain had verified the position and had held the Department justified in re-opening the cash book.

The Committee took serious notice of the remarks of the Audit Officer and directed the Director General Audit, Punjab, to make a thorough probe against Imdad Hussain, Audit Officer, who held the Department justified despite the fact that irregularity had been committed and admitted by the Department. Final position should be placed before the Committee in the next meeting.

The para was kept pending.

30-12-98: The Department explained that physical verification had been got done by the Audit. The P.A.C. accepted the explanation and **the para was settled.**

86. Para 9.69: Page 114 – Overpayment of Rs.3,898,400 Due to Irregular Purchase of Sub-Standard Furniture on Exorbitant Rates

Audit had observed: “Steel almirahs (3544) were purchased at the rate of Rs.2600 each in

May, 89 while the last purchase was made at the rate of Rs.939 each in November, 1986 and indenting Officer's estimate was Rs.1500 each. the percentage increase over last purchase rate comes to 189. The chief purchase officer replied that the new specification was not available at the last purchase rate. The exorbitant rates were due to better specification. Further, the prices of iron sheet, labour charges and fuel charges had also escalated. the department's attempted justification by relating payment of increased rates to purportedly improved specification is without substance as no significant commensurate change therein could be pointed out by the chief purchase officer. Physical verification of the articles purchased on the contrary, revealed the almirahs to be substandard. Taking the Indenting Officer's estimate as guide the state appears to have been put to loss at least by Rs.38,98,400/- which may be recovered from the defaulters."

29-10-96: The para was kept pending for consideration in the special meeting of PAC•II.

30-12-98: The Department explained that the matter was enquired into by the special Committee and accordingly the Department had started disciplinary proceedings.

The P.A.C. was not satisfied with the explanation and observed that Public money had been wasted in complete indifference towards National interest by the concerned officers about 10 years back and instead of timely remedial measures to make good the loss the Department showed complete lethargy and could not take proper action to make good the government loss up to the end of 1998. Therefore, the P.A.C. directed to recover the Government loss from the officers who arranged and managed the purchase of steel Almirahs at exorbitant rate without any immediate requirement which resulted in loss of Government money. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

87. Para 9.70: Page 114 – Irregular Purchase of Medicines Rs.2,818,193

Audit had observed: "In a hospital medicines worth Rs.2,818,193 were locally purchased during the period 1988-89, 1989-90. The purchase was made in contravention of Finance Department's circular letter No.FD(FR)11-5/82, Part-II, dated 2.11.86 and without inviting competitive tenders."

29-10-96: The Committee was informed that medicines worth Rs.2,818,193 were purchased, against Finance Department's instructions dated 2.11.1986. The Audit pointed out that open tender was not floated in the newspapers as per codal formalities.

The Department explained that an enquiry was conducted and it was found that no irregularity was committed. The Department further explained that tender was called through advertisement and total purchase was made on competitive rates. This explanation was

negated when the Committee examined the record and found that the tenders to the tune of only Rs.5 lac were floated and that too in unknown newspaper against the codal requirements whereby the tender should have been advertised through three well-known newspapers.

The PAC observed that tenders should have been given for the total amount and not by splitting the total amount. Obviously the amount was split to avoid open tendering and approval of the higher Authorities. Moreover, purchases were made in piece-meal and from the same firm. As such, it was evident that proper procedure was not adopted. Apart from this the report of the enquiry conducted by the Department was not presented before the PAC. The PAC took serious notice of the lapses and concealment of factual position by the Department with *malafide* intention.

The Committee directed that thorough inquiry should be conducted with the assistance of Audit. Mr. Maqsood Ali, Audit Officer would coordinate with the Department. The enquiry would be *inter alia*, on the following points:-

- (1) whether open competition was held ?
- (2) whether it was a fair competition ?
- (3) whether purchases were genuine and made from the lowest tenderer?
- (4) whether full codal formalities were complied with ?

The para was kept pending.

30-12-98: The Department explained that enquiry was conducted and it was concluded that general financial and procedural irregularities had been committed. Therefore, the enquiry officer had recommended to proceed against the defaulters. The matter was under consideration/process for disciplinary action.

The P.A.C. was not satisfied with the explanation and directed the Department to comply with previous directive of P.A.C. dated 29-10-96 in letter and spirit within one month under intimation to P.A.C. The para was kept pending.

12-6-02: Keeping in view the decision of the PAC dated 30 December 1998, **the Committee settled the para subject to the following direction–**

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

88. Para 9.71: Page 115 – Un-Necessary Purchase of Mechanical Suction Pumps Rs.2,502,324

Audit had observed: “Chief Purchase Officer purchased 1022 mechanical suction pumps in June, 1989 in excess of requirement is only 170 had been issued till July, 1990. This means that the indent was placed without obtaining actual requirement from the concerned quarters and Government money to the tune of rs.2,502,324 was blocked unnecessarily.”

30-12-98: The Department explained that the purchases were made after observing all codal formalities and the entire store had since been issued to various Hospitals/Institutions.

The P.A.C. directed the Department to produce all the relevant record alongwith payment vouchers to Audit for verification. The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 30 December 1998, **the Committee settled the para subject to the following direction–**

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

89. Para 9.72: Page 115 – Purchase of Instruments Without Immediate Requirement Rs.1,757,250

Audit had observed: “Five Elvi Coagulometers-819 were purchased by Health Department through contract No.SO(P-III)12-435/88 for Rs.1,575,250 and were received in Medical Store Depot in June, 1989. Four of these coagulometer’s equipment had not been issued up till now while the 5th supplied to a hospital, could not be used as it was defective. The purchase was made without requirement.”

30-12-98: The Department explained that out of total Five Elvi Coagulometers-819 four had since been issued to the different hospitals. Only one was lying in stock of the Department which will be issued on receipt of requisition from the Field Offices. All instruments were functioning without any complaint.

The P.A.C. was not satisfied with the explanation and directed that enquiry may be conducted, to fix responsibility for purchase of said instruments without any requirement within one month. Issuance of 4 meters to the hospitals may be got verified by Audit. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

90. Para 9.73: Page 115 – Non-Accountal of Medicines, Food Commodities, Instruments and Store Articles etc. Worth Rs.1,497,948

Audit had observed: “(a) Medicines worth Rs.850,451 were not accounted for in the expense book, wrong balances were carried forward or the same were not carried forward resulting in pilferage. Huge quantity of food commodities consisting of wheat, dry skimmed milk and butter oil costing Rs.41,851 where about of which are not known due to its non accountal. Instruments and store articles costing Rs.126,277 and Rs.179,369 (purchases made out of Government contingencies) purchase for use in hospital/health centres were not accounted for in the relevant stock registers. (b) Medicines worth Rs.417,557/67 were received from Asstt. Distt. Health Officer, Kasur in April 1988 by Mr.Muhammad Zubair, store keeper whereas why medicines worth Rs.117,557/67 were accounted for in his books resulting in the non-accountal of medicines worth Rs.3000,000.”

30-12-98: The Department explained that enquiry had been conducted and concluded that medicines/store articles worth Rs.1,106,680 had since been accounted for. A sum of Rs.9,904 had been effected. Record of articles valuing Rs.22,226 was required to be produced. An amount of Rs. 359,947 was recoverable from different BHUs/RHCs.

The Audit apprised the P.A.C. that medicines worth Rs. 117,557 were handed over by the ADHO Kasur (Dr. Zafarullah Sayal) to ADHO Chunian accordingly. But the ADHO Kasur tampered with the record and medicines worth Rs. 417,557 were shown to have been handed over to ADHO Chunian.

The P.A.C. took serious notice of the said tampering of record by a Doctor who was supposed to belong to a noble profession. The P.A.C. directed that criminal case may be got registered against Dr. Zafarullah Sayal for tampering with the official record. Copy of the F.I.R. may be provided to the P.A.C. Recovery may also be completed without further delay.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

91. Para 9.74: Page 116 – Loss of Rs. 1,134,280 on Account of Negligence

Audit had observed: “In Medical Store Depot, Lahore medical equipment purchased at a cost of Rs.11,34,280 was rendered useless due to negligence and mishandling by the staff responsible for its receipt/storage. During audit it was noticed that the medical equipment purchased could not be issued to

hospitals, dispensaries for the benefit of patients as some minor parts required for their working were either not of requisite size, were short-received or broken. This had rendered the entire expenditure of Rs.1,134,280 infructuous.”

30-12-98: The Department explained that efforts were being made to issue the equipments to the hospitals/institution. The equipments were purchased on specific demand.

The P.A.C. was not satisfied with the explanation and observed that the explanation of the Department was contradictory. The equipments were purchased in 1990-91 and remained un-issued upto the end of 1998 and it was clear that the purchase was made without requirement. In the first place of the Department stated that efforts were being made to issue the equipment to the Hospitals and then the Department stated that equipment was purchased under specific demand. If the demand was specific then why the equipment could not be issued upto 2/1998. Therefore, it was crystal clear that the said equipment was purchased without any demand or requirement and so the Government was put to a loss of Rs. 1,134,280. The P.A.C. directed that enquiry may be conducted to fix responsibility of the defaulter who purchased equipments without any requirement or demand and was also responsible for their mishandling due to which these had been damaged and could not be issued for a long period altogether. Enquiry may be completed within one month.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

92. Para 9.75: Page 116 – Irregular Purchase of Wooden Railing for Rs. 1,108,000

Audit had observed: “In the office of Project Director, Punjab Institute of Cardiology, Lahore 310 metre wooden railing fixing on walls to hand patients charts were purchased @ Rs.3575 per metre at a total cost of Rs.1,108,000. Audit has the following comments to offer on this purchase:

- i) Open tenders were not invited. Limited quotations from firms registered with the hospital were obtained;
- ii) Purchase was made on the basis of single tender received;
- iii) Purchase was made from a firm which specialized in supply of hospital/ medical equipments and was not dealing in such goods;
- iv) Purchase order was split up to avoid sanction of higher authority;

- v) Purchase was made at excessively high rates; and
- vi) The railing was neither properly installed nor was it ever inspected by the hospital authorities.”

30-12-98: The Department explained that railing purchased was not wooden railing rather it was a special stainless steel railing to be used for installation of sophisticated medical equipments. The purchase was made after observing all codal and procedural formalities. There was no loss to the Government.

The P.A.C. directed that all the relevant record pertaining to the purchase deal may be produced to Audit for verification. The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 30 December 1998, **the Committee settled the para subject to the following direction–**

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

93. Para 9.76: Page 117 – Un-Justified Purchase of Equipments and Other Articles Worth Rs. 1,043,000

Audit had observed: “In Medical Stores Depot Lahore, medical equipments and other articles valuing Rs.1,043,000 were purchased about 15-20 years ago in bulk quantity without justification. Due to negligence and non-issuance these had become rusty and damaged and thus had become unserviceable. Certain Instruments were auctioned in April, 1991. Difference of the purchase price and auction money remained unrecovered from the responsible persons.”

30-12-98: The Department explained that the stores were purchased 20 to 30 years back. On a later stage Municipal Committees/Corporation, Pakistan Railway and institutions of NWFP were dis-affiliated and issue of store to them was discontinued. Out of the total amount Rs.447,468 were issued for use by the concerned quarters. Store articles valuing Rs. 387,053 were auctioned for Rs. 59,490 sustaining a loss of Rs. 327,562. Anyhow, enquiry was being conducted in the matter to ascertain the reason for bulk purchase of store and non-issuance of the same.

The P.A.C. directed that store articles issued may be got verified by Audit. Responsibility for the un-necessary purchase of store articles without any genuine demand, damage/shortage of store may be fixed and loss of Government money may be made good from the defaulters. This action should be completed within one month. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30

December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

94. Para 9.77: Page 117 – Improper Expenditure of Rs.961,000

Audit had observed: “The amount of Rs.961,000 was provided for Air conditioning of the South Operation Block of Lahore General Hospital. Since the purchase was made from a third party the requisite exemption from customs/sale tax was not allowed by custom authorities. Moreover three sets of 10 horse power each of Hitachi model were purchased. Although one of them was found defective at the time of installation yet the same was not replaced thereafter. Four window type air conditioners were installed instead of one unit which was irregular. The machines only provided cooling system and the theatre was devoid of facility of central air conditioning as originally envisaged.”

30-12-98: The Department explained that this para did not pertain to Health Department rather it pertained to Communications and Works (Building) Department. Therefore, the para may be transferred to the Communications & Works (Building) Department.

The P.A.C. directed that relevant record may be produced to Audit for verification of the factual position and to decide whether it should be transferred to Communications and Works Department or not. The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 30 December 1998, **the Committee settled the para subject to the following direction–**

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

95. Para 9.78: Page 118 – Irregular Expenditure of Rs. 712,500 on the Purchase of VCR, T.V. and Video Cassettes

Audit had observed: “In Sir Ganga Ram Hospital, Lahore a sum of Rs.712,500 was expended on the purchase of V.C.R, 20” T.V and 103 video cassettes as detailed below. The T. V and VCR were of different systems and the purchased cassettes could not be used on this VCR to display it on T.V.

G-10 VCR with Remote Control	Rs.	18,200-00
Sony colour T.V 20 Inches	Rs.	16,500-00
103 video cassettes	Rs.	677,800-00
Total	Rs.	712,500-00”

30-12-98: The Department explained that enquiry had been conducted which revealed that financial as well as procedural irregularities had been committed by the then M.S. and DMS, Sir Ganga Ram Hospital. The recommendations of the enquiry committee had been sent to the Admn: Wing for disciplinary action against the defaulter.

The P.A.C. directed the Department to complete the disciplinary action within one month.

The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

96. Para 9.79: Page 118 – Shortage of Store Articles Valuing Rs. 554,388

Audit had observed: “In Government Medical Store Depot, Lahore physical verification of store articles revealed shortage worth Rs.554,388.”

30-12-98: The Department explained that enquiry had been conducted and it was concluded that actual shortage was of Rs.435,527 against which recovery of Rs.9,660 had been effected. Some portion of the store was auctioned by the departmental authorities. Authority for this auction had not been indicated. Difference between book value and sale proceeds was needed to be written off. If the person concerned had been retired then the responsibility lay with the relieving officer who took over the charge without any objection and the officer who issued the N.D.C. inspite of shortage of stores. The enquiry had been delayed for years together.

The P.A.C. directed that disciplinary action may be completed alongwith recovery of loss from the defaulter within two months. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

97. Para 9.80: Page 118 – Purchase of Equipments Valuing Rs. 544,325 Made Without Immediate Requirement

Audit had observed: “In Sir Ganga Ram Hospital, Lahore medical equipment worth Rs.544,325 below was purchased during June, 1988 without immediate requirement. On physical verification it transpired that even after the lapse of eight months the items were not put into operation for welfare of the patients.”

30-12-98: The Department explained that there was no blockade of Government money as normally it took 8 to 10 months for the installation of equipments in various departments due to some preliminary proceedings e.g. practical demonstration by supplier. The equipments involved in the para were installed and were working properly. The P.A.C. accepted the explanation and **the para was settled.**

98. Para 9.81: Page 119 – Irregular Purchase of Stationery/Standard/Non-Standard Forms Worth Rs. 522,000

Audit had observed: “In the office of Medical Superintendent Services Hospital, Lahore standard/ non-standard forms worth Rs.522,000 were purchased without adopting the prescribed procedure i.e. after getting N.A.C from the Government press. The forms which were printed/purchased were not got approved from the Government. Moreover the expenditure was split up because it was not within the competency of the Medical Superintendent of the hospital.”

30-12-98: The Department explained that the matter had been enquired into and concluded that the demand was advertised in the press without splitting up the demand. The contract was concluded with the firms approved by the Printing Press mentioned in the N.O.C. The articles purchased were essentially required by the Hospital. The only short coming found in the deal was the extension of N.O.C. from the Printing Press beyond 31-5-89 as the Press issued the N. O.C. upto 31-5-89. Anyhow, there was no financial loss to the Government.

The P.A.C. directed the Department to produce all the relevant record including enquiry report to Audit for verification. The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 30 December 1998, **the Committee settled the para subject to the following direction–**

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

99. Para 9.82: Page 119 – Non-Deposit/Less Deposit of Government Share Amounting to Rs.521,360

Audit had observed: “The Government of Punjab, had ordered the appointment of hospital

charges received from the patient in the following rates through their letter No.S.O.(H&D):

12.13/73,	dated 30.6.73
Govt. share	60%
Doctor's share	30%
Technician share	10%

In case of operation fee the apportionment was revised through letter No.S.O.(H&D) 12-13/73, dated 11.4.85 as under:-

Govt share	45%
Doctor's share	35%
Paramedic	20%

Contrary to the above orders the Govt. share of the charges received on account of Pathological test, X-rays fee, dental charges and physiotherapy charges etc. was calculated as 45% instead of 60% during the period from May, 1985 to February 1990 and thus the Government was put to a loss of Rs.523,360.”

30-12-98: The Department explained that the Government share on account of Pathological tests X-Ray Fees, Dental charges and physiotherapy charges etc was rightly calculated as 45% instead of 55% from 1st May, onward as per instructions issued vide No. SO(H&D) 12-13/73 dated 11-4-85.

The P.A.C. directed the Department to obtain clarification from the Finance Department in respect of letter dated 11-4-85 referred to by the Department for fixing the Government share. The para was kept pending.

12-6-02: Pursuant to the decision of the PAC dated 30 December 1998, **the Committee settled the para subject to the following direction—**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

100. Para 9.83: Page 120 – Non-Production of Record Rs.350,000

Audit had observed: “During audit of the accounts of Medical Superintendent Mayo Hospital, Lahore medicines worth approximately Rs.350,000 were found misappropriated by the staff of the sub store in collusion with the main store staff. The relevant record was not produced to audit. The hospital authorities stated that the record was lying with the

Enquiry Committee.”

30-12-98: The Department explained that Hospital authorities enquired into the matter and concluded that an amount of Rs.99,432 instead of Rs.350,000 was misappropriated by Mr. Ghulam Ahmed Dispenser. During the process of enquiry the said dispenser expired in the Hospital. Therefore, the loss of Rs. 99,432 was got written off by the Finance Department. The P.A.C. accepted the explanation and **the para was settled.**

101. Para 9.84: Page 120 – Non-Deposit of Electricity Charges into Government Treasury Rs.322,986

Audit had observed: “The amount of Rs.322,986 was collected from the residents of colony within the hospital on the basis of sub-meters. Instead of making short drawal from public exchequer or depositing in the government treasury, it was kept in a private account in a scheduled bank.

The amount be withdrawn from private account and deposited into government treasury. Administrative action against the delinquent also needs be taken.”

30-12-98: The Department explained that the amount of Rs. 322,986 was drawn from a private bank and paid to WAPDA on account of electricity bill. The payment had been verified by the D.A.O. The private bank account had since been closed as per instructions of Audit and these instructions had also been noted for future compliance. The P.A.C. accepted the explanation and **the para was settled.**

102. Para 9.85: Page 120 – Irregular Reappropriation from Electricity Charges to Local Purchase of Medicines and Irregular Purchase of Medicines Valuing Rs. 207,947

Audit had observed: “The budget provision for the local purchase of medicines was Rs.62,000 only whereas local purchases for Rs.207,947 were made by re-appropriating Rs.145,947 from the function head-533 Electricity which was not admissible as laid down in the financial rules. It was also observed that the local purchases were made without obtaining non availability certificate from the Government Medical Store Depot., Lahore. The budget allocation was not utilized proportionately but it was utilized during October, 1990. Neither the purchases of medicines were made on manufacturing rates nor tenders/quotations were called to make the purchases economical.”

30-12-98: The Department explained that the matter was enquired into by an Enquiry Committee which concluded that financial as well as procedural irregularities had been committed by the then ADHO Sialkot and DHS Gujranwala. The Authorized Officer had recommended for imposition of major penalty on the defaulters.

The P.A.C. directed that disciplinary action against the defaulter may be completed within one month. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

103. Para 9.86: Page 121 – Loss of Rs.195,639 Due to Purchase of Medicines at Excessive Rates

Audit had observed: “a) Injections Gelafundine (428) were purchased at the rate of Rs.270/- each during the period from June, 1987 to July, 1988 whereas prior to June, 1987 and after July, 1988 it was purchased for Rs.65/70 per injection. No satisfactory explanation was given by the hospital authorities. The hospital was put to a loss of Rs.87,441. b) Injection Soda Bicarb had been purchased at the rate of Rs.12/75 each from M/S Socharno Drug House as evident from bill No.147 of January, 1989. thereafter the same injections were purchased at the rate of Rs.22/90 each from M/S Syed Distributors and last two purchases were made at the rate of Rs.19/85. the prevailing market rate of the said injection was Rs.13/- each at the time of audit. By making purchase at higher rates the Government was put to a loss of Rs.52,610. c) Injections Ampiclox cillin 500 mg were purchased from M/S Syed Distributors during the period 13.3.88 to 21.1.90 at the rate of Rs.14/47 and Rs.15/90 while M/S tayyuab Traders supplied the same Injection @ Rs.10/90 on 8th June, 1989 which was the prevailing market rate. The rate of Injection was inflated by Rs.5/- per vial by Syed Distributors. Hence Govt. was put to a loss of Rs.55,588.”

30-12-98: The Department explained that enquiry had since been completed and accordingly the recovery of loss was under process. The Department assured the P.A.C. that recovery would be completed within one month. The P.A.C. kept the para pending and directed the Department to complete the recovery within one month.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

104. Para 9.87: Page 121 – Irregular Purchase of Injection-Recovery of Rs.184,888

Audit had observed: “In the office of Medical Supdt., Mayo Hospital, Lahore a large quantity of dextrose ‘injections were purchased for Rs.760,827 during 88-89 by obtaining a single tender from a firm which was either the manufacturer nor the sole stockists of the injections. The dextrose injections were also purchased at a rate which was higher by Rs.4/71 per injection (bag) than the rate which the manufacturers had quoted directly to the hospital authorities previously

vide their quotation dated 10.3.88. The purchase of injections by inviting simple tender from a firm other than the manufacturer single stockist was a clear violation of the standing instruction/rules of the Govt. Moreover the purchase at rates higher than the hospital rates requires to be investigated.”

30-12-98: The Department explained that M/s. Siza International was the manufacturer of the Dextrose Injection. The purchase was made from the manufacturer C/o Syed Distributors. The rate of the Injection was fixed as Rs. 15/90 per bottle in 3/88 which was revised to Rs. 20 in 11/88 with the approval of Government. The purchase was made @Rs.19/90. The Audit compared the purchased rate with that of 3/88 which was in vogue before revision.

The P.A.C. directed the Department to conduct enquiry and report may be completed within one month under intimation to Audit. The para was kept pending.

12-6-02 :On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

105. Para 9.88: Page 122 – Irregular Purchase of 600 ACTH Injections (5ML) Worth Rs.118,380

Audit had observed: “600 A.C.T.H. Injections (5ml) were purchased from MSD @ Rs.197/30 per injection in July, 1989 having expiry date in September, 1989 i.e. only after two months. These injections were distributed to Basic Health Units and Rural Health Centres in the Tehsil. The expense books of the units and centres indicated the consumption of these injections well before the expiry date. Audit doubts the consumption of these injections in such units and centres because they are used for treatment of patients with adrenal gland failure, an ailment which can only be diagnosed in a sophisticated medical unit.

Moreover, these injections, generally were given on the advice of a specialist to patients under constant medical care while these facilities did not exist in such units and centres. The whole amount appeared to have been embezzled by showing fake consumption. The matter needs investigation and recovery of loss from the defaulter.”

30-12-98: The Department explained that ATCH Injections were supplied by the MSD. The same were issued to 60 Health Institutions with average of 10 Injections to each station. The Injections were appropriately consumed by each Institution within a span of two months and there was no question of fictitious consumption. The P.A.C. accepted the explanation and **the para was settled.**

106. Para 9.89: Page 122 – Recovery Outstanding in Respect of Residential Telephone Charges Over and Above the Prescribed Limit Rs.111,614

Audit had observed: “a) Telephone Calls in excess of prescribed limit amounting to Rs.53,629/25 were made from the residential telephones of certain officers and warranted recovery from the concerned officer. b) Outstation/overseas calls costing Rs.5334 were made from the telephone exchange in private capacity and required recovery thereof. c) The telephone calls made as detailed below were also excessive and without any justification.

302182	7/89 to 6/88	Governor House	16,554.00
	“	“	14,211.00
		Dr. Hostel	2,186.00
		GOR.II Dispensary	18,699.00
			52,650.00”

30-12-98: The Department explained that recovery had been started and a sum of Rs.16,375 had since been recovered.

The P.A.C. directed that balance recovery may be completed within one month and got verified by Audit. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 30 December 1998 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

107. Para 9.90: Page 123 – Loss of Rs.96,500 on Account of Purchase of Costly Chemicals & Electrodes

Audit had observed: “Some chemicals & electrodes were purchased by Government Public Analyst, Punjab, Lahore from local market during 1986-87. The rates paid in this respect were very high as compared to the rates charged by Medical Store Depot, Lahore in price vouchers for the supply of same items. This resulted in an excess payment of Rs.96,500. In accordance with the provisions of rule 15.2 (d) of PFR Vol.I purchases should be made in most economical manner.”

30-12-98: The Department explained that indents for the procurement of chemicals and electrodes were forwarded to the MSD for supply. The MSD returned the indents with the remarks that these items were not included in the purchase vouchers (P.V.). Then the case was processed to purchase the items from open market. Quotations were called for Comparative statement was prepared and order was placed at the lowest tenderer. No irregularity had been committed. The position had also been verified by Audit. The P.A.C. accepted the explanation and **the para was settled.**

108. Para 9.91: Page 123 – Irregular Payment of Electricity Charges of Hostel Rs.88,285

Audit had observed: “In the office of Medical Superintendent Services Hospital, Lahore electricity charges amounting to Rs.88,285 were paid out of Govt. account instead of recovering them from the occupants of the hostel.”

30-12-98: The Department explained that residential accommodations were provided to House Officers. Their job was of residential nature being 36 hours out of 48 hours. Therefore, they were to be provided accommodation with all facilities without charges as per Government instructions. Hence no recovery was due.

The P.A.C. directed the Department to produce the relevant record to Audit for verification. The para was kept pending.

12-6-02: Reiterating the decision of the PAC dated 30 December 1998, **the Committee settled the para subject to the following direction–**

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

109. Para 9.92: Page 124 – Embezzlement of Rs.74,486 by Short Deposit of Purchee/ Admission Fee

Audit had observed: “District Hospital issued a total of Rs.520,568 printed and number tickets to out door patients during 1987-89. However, instead of depositing the full amount of “purchase fee” at the rate of Rs.1 per ticket only Rs.470,970 were deposited into government treasury. Audit apprehends that the difference amounting to Rs.49,598 was embezzled.

In the same Hospital 46,425 patients were admitted as indoor patients during the years 1987-88 and 1988-89. According to government orders admission fee amounting to Rs.5 each was to be recovered from them. However, a sum of Rs.207,237 only was found deposited in Government treasury instead of the required amount of Rs.232,125. Audit apprehends that the remaining amount of Rs.24,888 has been embezzled.”

30-12-98: The Department explained that a sum of Rs.24,888 pertaining to admission fee had been recovered and deposited with the Government. Recovery on account of Purchee Fee was Rs.9,549 instead of Rs.49,589. The amount of Rs.9,549 had also been recovered. A further amount of Rs. 6,407 had also been recovered on account of wastage of stationery. Disciplinary action had also been taken against the defaulters. The P.A.C. accepted the explanation and **the para was settled.**

110. Para 9.93: Page 124 – Non-Recovery/Non-Deposit of Fee on the Issuance of Medical Fitness Certificates Rs. 56,548

Audit had observed: “In accordance with Govt. of Punjab, Health Department letter No.17147, dated 30.11.1972, an amount of Rs.16 is required to be received on issuance of medical fitness certificates from a Government servant/semi Government servant or an employee of autonomous bodies on their first entry into service. 45% of the fee so received is required to be deposited into treasury as Government share. According to Regional Manager, Employment Exchange, Sheikhpura’s letter No.8(8)718, dated 4.3.1990 7854 persons were employed in various departments in the District during 7/85 to 6/89 and an amount of Rs.125,664 was required to be realized out of which 45% Government share amounting to Rs.56,548 was not found deposited into Government treasury. No account was produced by the hospital authorities.”

30-12-98: The Department explained that according to Appendix-7, Note Portion of Section 8 of PCSR of 1978 the candidates sent by the selecting/appointing Government Authority for medical examination to District Health Officer or Medical Superintendent should be examined free of charges. The position had also been verified by Audit. The P.A. C. accepted the explanation and **the para was settled.**

111. Para 9.94: Page 125 – Non-Deduction of Income Tax at Source Rs.48,832

Audit had observed: “Hospital supplies were obtained from various contractors during 1988-89, 1989-90. According to Income Tax Ordinance, 1979 Income tax @ 3% of the amount of all supplies exceeding Rs.50,000 in a financial year were required to be deducted at source from each bill. This recovery was not effected resulting in a non-recovery of Income Tax amounting to Rs.48,832.”

30-12-98: The Department explained that actual amount of Income Tax was Rs.30,588 instead of Rs.48,832 which had been recovered and deposited into Government Treasury. The recovery had also been verified by Audit. The P.A.C. accepted the explanation and **the para was settled.**

112. Para 9.95: Page 125 – Embezzlement of Purchee Fee Amounting To Rs.47,213

Audit had observed: “In various rural health centres and Basic Health Units under the administrative control of Asstt. Distt. Health Officer, Chunian, purchee fee and admission fee received from patients was either short deposited or not deposited into Govt. treasury.....”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The matter shall be decided by the SDAC and further necessary action shall be taken by 31 October 2002 in the light of the decision of the SDAC. The action taken in

the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

113. Para 9.96: Page 126 – Overpayment of Rs. 44,200 on Account of Purchase on Higher Rates

Audit had observed: “260 Packs (1000 tablets per pack) of Diazepam tablets were purchased @ Rs.190 per pack whereas the printed maximum retail price of the pack was Rs.20 each. Thus the Govt. was put to loss of Rs.44,200 which needs investigation and recovery.”

30-12-98: The Department explained that medicines were purchased from the authorized distributor of the manufacturing firm at trade/hospital rate given in the approved price list after observing codal formalities. The position had also been verified by Audit. The P.A.C. accepted the explanation and **the para was settled.**

114. Para 9.97: Page 127 – Excess of Rs.43,000 on Residential Telephone

Audit had observed: “The officer incharge, Govt. Medical Store Depot was entitled to 600 free calls per month from residential telephone it was however noticed that telephone charges of Rs.43,000 in excess of the ceiling were also paid out of Govt. account during 1989-90.”

30-12-98: The Department explained that amount of Rs.43,686 had been recovered and got verified by Audit. The P.A.C. accepted the explanation and **the para was settled.**

115. Para 9.98: Page 127 – Non-Recovery of Rs.41,493 On Account Of Telephone Charge Over Above The Prescribed Limit.

Audit had observed: “In according with the Govt. of Punjab, Finance Department circular letter No.FD(PW.II)2-1/Tele/82 (Provl.) dated 10.7.1990 the officer (Doctors) were entitled to 400 calls per month and the Medical Supdt. to 600 calls per month from their residential telephones. However, it was noticed that in the office of M.S, Services Hospital, Lahore calls were made over and above the prescribed limit by the officers at whose residences the telephones had been provided.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

116. Para 9.99: Page 127 – Purchase of Equipment Made on Exorbitant Rates Resulting in Loss of Rs.37,000

Audit had observed: “In the office of Medical Superintendent Mayo Hospital, Lahore Toshiba Electronic Linear Probe Model PLB-5055 was purchased during May, 1988 for Rs.84,000 whereas the same firm viz M/s Medequips quoted their rate as Rs.43,000 during February 1990. Thus the purchase was uneconomical and the hospital authorities had given undue favour to the supplier. The reply of the department that the manufacturer reduced the price was not found convincing.”

30-12-98: The Department explained that the amount of Rs. 41,000 had been recovered and got verified by Audit. The P.A.C. accepted the explanation and **the para was settled.**

117. Para 9.100: Page 128 – Overpayment Of Rs.36,328 Non-Observance Of Terms & Conditions Of Tender.

Audit had observed: “A hospital executed a contract for purchase of mutton. According to terms and conditions of the tender the contractor had to supply mutton in joints with 25% extra meat to compensate for the bones in joints. From 7/88 to 12/88, the contractor supplied 4188 kg meat but the additional 25% meat viz 1047 kg was not supplied. Thus a sum of Rs.36,328 was overpaid to the contractor which need to be recovered from the firm.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

118. Para 9.101: Page 128 – Misappropriation Of Medicines Valuing Rs.35,840.

Audit had observed: “Medicines valuing Rs.35,840 were misappropriated during 1989-90 from various rural health centres and Government rural dispensaries working under District Health Officer, Rawalpindi by manipulation of stock registers and connected record.”

12-6-02: ,On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

119. Para 9.102: Page 128 – Non-Recovery of Income Tax Amounting to Rs.30,305

Audit had observed: “The Income Tax at the rate of 3% from the contractors whose supplies exceeded Rs.50,000 during a financial year was required to be deducted at source while making payment but contrary to it the amount of Rs.30,305 remained un-recovered as detailed below. The exemption certificates from the Commissioner in favour of the contractors were also not shown to audit.”

30-12-98: The Department explained that actual recoverable amount was Rs.27,448 which had been recovered and got verified by Audit. The P.A.C. accepted the explanation and **the para was settled.**

120. Para 9.103: Page 129 – Non-Recovery Of Sui Gas Charges Amounting To Rs.30,000.

Audit had observed: “In the Distt. Headquarters Hospital, Sheikhpura Sui Gas connection of the hospital was extended to all Govt. residences within the premises of the hospital. No independent Gas metres were installed to record the consumption of the occupants. Instead the M.S had fixed the rate for gazetted officer @ Rs.100/- P.M and for non-gazetted officials @ Rs.46/- without giving any consideration to the actual consumption of the sui gas. There were 14 residences occupied by gazetted officers and 36 residences occupied by non-gazetted staff. The recoverable amount thus worked out as under for the period 6/85 to 6/89:

Gazetted officer	14x100x48	Rs.	67,200-00
Non-gazetted	36x46x48	Rs.	79,488-00
		Rs.	146,688-00

As against this the following amount was realized

Amount realized from the occupants.	Rs.	19,000-00
Residences remained un-occupied.	Rs.	97,688-00
Amount still recoverable	Rs.	30,000-00”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

121. Para 9.104: Page 129 – Embezzlement of Purchee Fee Amounting to Rs.24,667

Audit had observed: “Purchee fee aggregating Rs.24,667 was not deposited by various departments/dispensaries under the administrative control of M.S Services Hospital during different periods, from 1985 to March 1990.”

30-12-98: The Department explained that whole the amount had been recovered and deposited with the Government. The P.A.C. accepted the explanation and **the para was settled.**

122. Para 9.105: Page 130 – Loss of Rs.20,448 Due to Un-Economical Purchase Of Medicines.

Audit had observed: “The hospital authorities incurred expenditure of Rs.98,553 on the purchase of injection Novalgin (Dipyron)5cc amp. during February 1989 to June, 1989. the purchase was made at the rate of Rs.3.47 each from M/S Syed Distributors ignoring the rate of Rs.2/75 offered by M/S Central Laboratories on the plea that their sole distributor certificate was not attached. the sole distributor certificate attached by M/S Syed Distributors was found to be fictitious at the firm on the given address did not exist and the telephone number recorded by the firm belonged to M/S Hakim Sons at Hall Road. Due to purchase of injection Novalgin @ Rs.3/47 per ampule instead of Rs.2/75 the Govt. was put to a loss of Rs.20,448.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

123. Para 9.106: Page 130 – Government Receipts Misappropriated Rs.20,442

Audit had observed: “Rs.20,442 realized as purchee fee at various rural health centres and Govt. rural dispensaries of Rawalpindi District during 1989-90 had not been deposited into Government treasury.”

30-12-98: The Department explained that whole the amount had been deposited with the Government and got verified by Audit. The P.A.C. accepted the explanation and **the para was settled.**

124 Para 9.107: Page 130 – Expenditure in Excess of Entitlement on Residential Telephone-Rs.19,490

Audit had observed: “The verification of the bills of residential telephone No.83360 installed at the residence of Director Health Services, Gujranwala revealed that total calls from 6/88 to 5/89 were 31563 whereas the officer was entitled to 7200 calls during the above period at the rate of 600 calls per months vide FD Circular No. FD (P.W.II) 2-1/ Tel/82,(Provl.), dated 10.7.1988. The payment of 24363 excess calls @ Rs.0.80 worked out Rs.19,490 which was unauthorised & irregular & was to be paid by the officer himself.”

30-12-98: The Department explained that whole the amount had been recovered and got verified by Audit. The P.A.C. accepted the explanation and **the para was settled.**

125. Para 9.108: Page 131 – Misappropriation of Government Money Rs.12,926 On Account of Purchee Fee

Audit had observed: “In a Tehsil Headquarter Hospital Purchee fee received from patients amounting to Rs.12,926 as detailed below was not deposited into Government Treasury.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

126. Para 9.109: Page 131 – Embezzlement of Rs.12,617

Audit had observed: “In the office of Project Director, Punjab Institute of Cardiology, Lahore, the cash balance on the closing of the cash book on 17.12.1989 was Rs.15,534 but in the new cash book a balance of Rs.2,917 only was brought forward. Thus an amount of Rs.12,617 was embezzled.”

30-12-98: The Department explained that enquiry was conducted and concluded that necessary recovery had been made good and deposited with the Government. The position had also been verified by the Audit.

The P.A.C. accepted the explanation and **the para was settled.**

127. Para 9.110: Page 131 – Non-Deduction of Income Tax Amounting to Rs.11,403

Audit had observed: “Contrary to the instructions laid down in Section 50(4)(a) of Income Tax Ordinance, 1979, income tax of Rs.11,403 was not deducted at source from the suppliers whose aggregate payment exceeded Rs.50,000 during a financial year.”

30-12-98: The Department explained that Income Tax of Rs.11,403 had been

recovered and deposited with the Government. The position had also been verified by Audit. The P.A.C. accepted the explanation and **the para was settled.**

128. Para 9.111: Page 131 – Loss Due to Incomplete Supply of Electrolyte Analyzers.

Audit had observed: “The Chief Purchase officer, health Department executed contact No.SO(P-III) 12.247/80 on 12.6.87 for the supply of 20 Electrolyte Analysers (P.V.No.16020). Four of these analysers were supplied to Services Hospital during 1987-88. It was, however, found during audit that all the four analysers were lying unused as the electrodes and other accessories required for their functioning had not been supplied. The supply of incomplete equipment was in violation of clause ‘II’ of the contract. The loss caused to the state due to unnecessary blockade of scarce resources and to the patients who were denied the benefits of the equipment needs to be investigated with a view to fixing responsibility and taking disciplinary action deemed necessary.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

Annexure Paras

1. **Para No.140/1967-68 Page 232 read with Sr. No.47 of Audit Report for the Year 1989-90; Irregular Purchase-Rs.55,124**
2. **Para No.3/1973-74 Page 233 read with Sr. No.48 of Audit Report for the Year 1989-90; MisappropriationRs.13,973**
3. **Para No.4/1973-74 Page 233 read with Sr. No.49 of Audit Report for the Year 1989-90; Shortage of CashRs.20,620**
4. **Para No.26/1980-81 Page 233 read with Sr. No.50 of Audit Report for the Year 1989-90; Non-Recovery of House Rent and Other Charges-Rs.60,474**
5. **Para No.52/1982-83 Page 233 read with Sr. No.51 of Audit Report for the Year 1989-90; Misappropriation and Sale of Stores at Less Rates-Rs.8,015**
6. **Para No.53/1982-83 Page 233 read with Sr. No.52 of Audit Report for the Year**

1989-90; Non-Deduction of Income Tax-Rs.169,040

7. Para No.40/1972-73 Page 233 read with Sr. No.53 of Audit Report for the Year 1989-90; Embezzlement/Forgery

8. Para No.38(1)/1983-84 Page 233 read with Sr. No.54 of Audit Report for the Year 1989-90; Embezzlement/Suspected Misappropriation of Stores-Rs.16,492

9. Para No.38(2)/1983-84 Page 233 read with Sr. No.55 of Audit Report for the Year 1989-90; Embezzlement/Suspected Misappropriation of Stores-Rs.23,500

12-6-02: The above mentioned 9 paras had already been conditionally settled/dropped by the PAC. The Committee **settled the paras** with the direction that the Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Commercial Audit

1. Para 3(xii): Page 5– Government Medical Stores Depot, Lahore 1987-88 to 1990-91

Audit had observed: “Government Medical Stores Depot, Lahore has not compiled its accounts for the years 1987-88 to 1990-91.”

13-6-02: The PAC noted the contents of the Audit para and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Department must ensure that the accounts are compiled and submitted to Audit in time.

2. Para 68: Page 51 – Working Results

Audit had observed: “The working results of the Punjab Pharmacy Council, Lahore for the year 1989-90 and 1990-91 as compared with those for the year 1988-89..... as against the loss of Rs.68,764 sustained in the year 1988-89, the Council earned net profit of Rs.947,345 in 1989-90 which again decreased to Rs.172,921 in 1990-91.”

7-7-99: The Audit pointed out that the profit of the Punjab Pharmacy Council had decreased from Rs. 947,345 in 1989-90 to Rs.172,921 in 1990-91. In reply, the Department explained that Punjab Pharmacy Council is not a commercial organization meant for earning profit rather it was for providing services.

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

3. Para 69: Page 51 – Maintenance of Accounts on Accrual Basis-Examination Fee

Audit had observed: “The examination fee from the candidates was received in 1987-88 and accounted for in the income of that year whereas the examination was conducted in subsequent year. This practice is continuing in coming years also.”

7-7-99: The Department explained that Accounts were now being maintained on accrual basis. The instructions of the Audit had been complied with.

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

4. Para 70: Page 51 – Maintenance of Accounts on Accrual Basis-Renewal Fee

Audit had observed: “Renewal fee from the registered pharmacists was received for three years the same is credited to the Income Account in the year in which it is received.”

7-7-99: The Audit pointed out that the renewal fee received in lump-sum for three years from registered pharmacists had not been spread over three years but credited to the income Account in one year. In view of the practical difficulties explained by the Department in spreading the income of renewal fee over three years, **the para was settled.**

5. Para 71: Page 52 – Maintenance of Accounts on Accrual Basis-Interest on Deposits

Audit had observed: “The interest earned on deposits is accounted for when it is credited to the Council’s account by the Bank instead of accounting it on accrual basis. For example the interest on deposits kept with National Saving Centre has not been credited in the year 199-91 due to a dispute regarding deduction of “Zakat”. Had the interest on deposits with the National Saving Centre been credited on accrual basis the working results of the Council for the year 1990-91 would have been quite different. Necessity of maintenance of accounts on accrual basis is stressed upon the Management so that the income of the year may match with the expenditure of that year.”

7-7-99: The Department explained that as and when the interest would be received from the National Saving Center after settlement of *Zakat* the same would be shown in the accounts of the organization. Moreover, the council had now transferred its deposit to National Bank of Pakistan. The PAC accepted the explanation and **the para was settled.**

Home Department

Overview

Total Paras	Civil	Annexure paras
30	29	1

Abstract

Status	Decision	Para Nos.	Total
Paras Finally Settled 15	Paras finally settled as the requisite action had been taken.	Civil: 11.1, 11.2, 11.4, 11.6, 11.7, 11.9, 11.12 (a), 11.12(b), 11.14, 11.15, 11.19, 11.20, 11.21, 11.22, 11.24.	15
Paras Conditionally Settled 15	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit shall verify the same.	Civil: 11.3, 11.5, 11.8, 11.10, 11.11, 11.13, 11.16, 11.17, 11.18, 11.23, 11.25, 11.26, 11.27, 11.28. Annexure Paras: 7/78-79	14 1

Discussed on 22 February and 3 August 1995 and 10 & 12 June 2002

Civil Audit

1. Para 11.1: Page 135 – Unauthenticated Distribution of M.M. Woollen Yarn – Rs.345,450

Audit had observed: “A quality of 8700 k.g. M.M. Woollen Yarn worth Rs.639,450 was purchased during September 1986 by Central Jail, Faisalabad, out of which 4700 k.g. valuing Rs.345,450 was transferred to other Jails in the Punjab during October 1986 to October 1987 without recovery of value by cash or through adjustment. Acknowledgements for the supplies worth Rs.235,200 made to Central Jail, Lahore, Attock and Mianwali had also not been received even after lapse of 3 to 4 years. Acknowledgements obtained from other jails were not signed by the Superintendents Jails.”

22-2-95: The Department explained that the purchase was made in the office of Inspector General of Police (Prison). It was not a local purchase. However, a consignment of 200 Kg M.

M. woollen yarn was missing and its cost of Rs.14,700 had been recovered from the official concerned and verified by Audit. The explanation of the Department was accepted and **the para was settled.**

2. Para 11.2: Page 135– Supplies Made But Cost Not Yet Recovered/Adjusted – Rs.282,375

Audit had observed: “Jail manufactured articles worth Rs.282,375 were supplied during 1987-89 by the Central Jail, Faisalabad to other Jails in the Punjab, but neither the cost thereof was recovered nor it was adjusted through book transfer.”

22-2-95: The balance amount of the para has been recovered and adjusted. **The para was settled.**

3. Para 11.3: Page 135 – Inadmissible Payment of Rs.163,296 on Account of Sewing Charges to an employee

Audit had observed: “A regular employee of Police Department was paid Rs.163,296 during the year 1989-90 as sewing charges at the rate of Rs.60 per uniform in addition to his salary which was not admissible. Raw material i.e. bukkram, buttons, threads was also being supplied departmentally along with sewing charges. Uniforms in bulk had been prepared merely to give undue benefit to the employee concerned whereas uniforms were not required for immediate issue.”

22-2-95: The Committee directed that full justification may be given for exceeding the powers to sanction expenditure as well as power to make local purchase. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

4. Para 11.4: Page 136– Unlawful Engagement of in Service Policemen on the Police Welfare Petrol Pump – Rs.1,420,719

Audit had observed: “Police Welfare Fund Petrol Pump” at Faisalabad, run by the management of “Police Welfare Fund is entirely a private enterprise. 13 Policemen consisting of 2 ASI’s 3 HC’s and 8 FC’s were engaged exclusively for sale of Petroleum products and preparation of accounts of the enterprise from 1.4.1990 to 30.9.1990. As the said officials had been drawing pay and allowances from public exchequer diversion of their duties to private section was unlawful. The salary and allowances drawn by them works out to Rs.126,911.

Previous, a sum of Rs.1,293,808 was also held under observation for 1.7.1985 to 31.3.1990.”

22-2-95: The Department explained that the Audit observation has been complied with and the practice of detailing officials on Petrol Pumps duty has been discontinued. **The para was settled.**

5. Para 11.5: Page 136 – Misappropriation of Store Articles Valuing – Rs.480,790

Audit had observed: “Store articles valuing Rs.480,790 were noticed short in stock as a result of physical verification of stores in the District Jail, Gujrat.”

22-2-95: The Department explained that an inquiry was held and a case has been registered with the Anti-Corruption Department against the official concerned. The para being sub-judice was kept pending.

12-6-02: The Committee settled the para with the direction that subject to the decision of the court, the recovery shall be effected and disciplinary action taken. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para 11.6: Page 136 – Irregular Expenditure of Rs.414,637

Audit had observed: “Expenditure on works amounting to Rs.414,637 was incurred during the period 1984-85 to 1988-89 on construction/repair of buildings of District Jail Kasur without getting the estimates vetted from P.W.D./Finance Department in violation of rule 16.2 of P.F.R. Vol.I and also without the sanction of competent authority.”

22-2-95: It was explained by the Department that all the sanctions were obtained from the competent authority and stock register showing consumption of material was also made available. The explanation of the Department was accepted and **the para was settled.**

7. Para 11.7: Page 137 – Purchase of Store Articles without Requirement and Advance Payment Made Without Sanction of Finance Department – Rs.339,854

Audit had observed: “Timber valuing Rs.339,854 was purchased on advance payment basis by Superintendent Central Jail Rawalpindi during 1988-89 and 1989-90 which was still lying unused. The ill planning of the department is obvious. In accordance with provision of rule 2.10 and 17.19 of P.F.R. Vol-I no amount should be drawn from treasury unless required for immediate disbursement and purchases should not be made simply to avoid lapse of funds.”

22-2-95: The explanation of the Department was accepted and **the para was settled.**

8. Para 11.8: Page 137– Irregular Expenditure of Rs.149,868 on the Repair of Police Building

Audit had observed: “the amount of Rs.149,868 was drawn for the repair of police buildings during June, 1989. The Inspector General of Police was competent to accord technical sanction for expenditure on repair up to Rs.50,000. The expenditure was deliberately split up to avoid the sanction of competent authority against the provision of rule 15.2(c) of P.F.R. Vol.I. Neither the item wise cost estimates were prepared as required under rule 16.5 (B) of P.F.R.Vol.I nore tenders specifying item wise work were called.”

22-2-95: As the *ex post facto* sanction for the irregular expenditure of Rs.149,868 was awaited from the Finance Department. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 22 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para 11.9: Page 138 – Unlawful Engagement of in Service Police Officials on Operation of Photostat Machine

Audit had observed: “The management of “Police Welfare Fund” has placed a Photostat Machine in the office of S.S.P Faisalabad. Photostat copies are made on payment basis and entire income of the machine is credited to the said fund. Two policemen were exclusively deployed for operation of said machine where as the operator should be engaged out of “Police Welfare Fund”. Pay and allowances of the two policemen for 1.4.1990 to 30.9.1990 worked out of Rs.20,969. Previously Audit had already pointed out recovery of Rs.99,208 on that account upto 3/90 which had also not been recovered.”

22-2-95: It was explained by the Police Department that photo state machine has been donated to Government in 1/91 by the Police Welfare Fund Management. The explanation of the Department was accepted and **the para was settled.**

10. Para 11.10: Page 138– Irregular Expenditure of Rs.100,000.

Audit had observed: “80 No. hurdles were purchased for Rs.100,000 from a firm at the rate of Rs.1250 each. Audit has the following comments to off on this purchase:-

- i) the hurdles, on physical verification, showed that they had been made of sub-

standard material;

ii) the expenditure was incurred beyond the competency of the officer concerned, as specified in rule 3(b)(II) of the Delegation of Powers Rules 1962.”

22-2-95: The Audit observed that steel barriers of substandard material were purchased by the administrative Department at a much higher rates of Rs.1,250 as the cost of such barriers was hardly Rs.500 in the market thus causing loss to government to the tune of Rs.60,000. The Public Accounts Committee was not satisfied with the explanation of the Department and directed to conduct inquiry into this aspect of the case. The para was kept pending for inquiry.

12-6-02: Keeping in view the decision of the PAC dated 22 February 1995 **the Committee settled the para subject to the following direction–**

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

11. Para 11.11: Page 138 – Expenditure on Residential Telephone Beyond the Prescribed Limit – Rs.81,326

Audit had observed: “The expenditure on residential telephones installed at the residence of Deputy Inspector General of Police, Lahore Range, Lahore exceeded the prescribed limit by Rs.81,326 as detailed below:-

Tele No.	Month of prescribed limit.	Expenditure in Excess
303331	3/89 to 6/89	Rs. 21,997
“ 7/89 to 10/89	Rs.	2,465
322261	11/88 to 2/89	Rs. 46,009
“ 3/89 to 4/89	Rs.	10,855
Total	Rs.	81,326

Bills for the months of November, 1989 to June, 90 were not produced, the excess expenditure during the period may be calculated internally.”

22-2-95: The para was kept pending for regularization of the excess expenditure on telephone by the competent authority.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 22 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the

directive of the PAC.

12. Para 11.12(a): Page 139– Advance Income Tax Not Recovered From the Contractors – Rs.70,701 (This Item Rs.39,487)

Audit had observed: “Supplies in excess of Rs.50 thousand were made by the contractors during 1988-89 & 1989-90 to Central Jail Rawalpindi but advance income tax amounting to Rs.39,487 was not recovered from the respective contractors at the time of making payment as required by F.D.’s letter No.Tax-I/25-74/(Vol.II) dated 28th December 1983 and Section 50m (4) of Income Tax Ordinance, 1979.”

22-2-95: The Audit observation had been complied with. **The para was settled.**

13. Para 11.12(b): Page 139– Advance Income Tax Not Recovered From the Contractors – Rs.70,701 (This Item Rs.31,214)

Audit had observed: “Similarly, advance income tax amounting to Rs.31,214 was not deducted from the contractors while making payments against supplies exceeding Rs.50 thousand in the office Superintendent District Jail Gujrat.”

22-2-95: The Audit observation had been complied with. **The para was settled.**

14. Para 11.13: Page 140 – Purchase of Uniform-Suspected Misappropriation of Rs.68,796

Audit had observed: “Superintendent, District Jail, Shahpur Sadar, Sargodha, expended Rs.68,796 on purchase of uniforms during 1984-86 but the same had neither had taken on stock nor actual payees receipts were available on the record. Moreover sanction of the competent authority was not obtained as the Superintendent himself was not empowered to accord sanction to the stated extent.”

22-2-95: **The para was settled** subject to verification of record by Audit.

15. Para 11.14: Page 140– Non•Recovery of Electricity Charges of Rs.54,000

Audit had observed: “Electricity from main connection of District Jail, Kasur was supplied to eighteen old residential quarters without sub meters. The electricity charges were not recovered from the occupants as required under 4.1 of P.F.R. Vol.I. The amount of Rs.54,000 on account of electricity charges, worked out @ Rs.50 per quarter per month from July, 1985 to June, 1990 was therefore, recoverable from the residents.”

22-2-95: Audit observation had been complied with. **The para was settled.**

16. Para 11.15: Page 141 – Misappropriation of Medicines Worth Rs.53,278

Audit had observed: “Medicines received from Government Medical Store Depot, Lahore through indents for September, 1986, January 1987, January, 1988 August, 1988, November 1988, and August 1989 amounting to Rs.53,278 were neither taken on stock nor consumption

of said medicines was produced to audit.”

22-2-95: In view of the explanation of the Department that the medicines were received from the Government Medical Store Depot and were not locally purchased, **the para was settled.**

17. Para 11.16: Page 141– Expenditure on Residential Telephone in Excess of Permissible Limit – Rs.46,618

Audit had observed: “Telephone bills for 61,682 telephone calls relating to the months from June, 1989 to February 1990 in respect of the residential telephone of Deputy Inspector General of Police Rawalpindi had been paid. The Officer being of category ‘B’ was entitled to 1000 calls per month vide F.D.No.SO (PW-I) 2-1/Tel/82/(Prov1)/79, dated 10th July 1987. Thus 52682 calls had been made in excess of the permissible limit and the Govt. had to bear an excess expenditure of Rs.46,618.”

22-2-95: The para was kept pending for regularization of the excess expenditure on telephone by the competent authority.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 22 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

18. Para 11.17: Page 141– Less Deduction of Income Tax of Rs.35,108

Audit had observed: “Under Income Tax Ordinance, 1979, Income Tax @ 2% was required to be deducted at source from the contractors for the services rendered or supplies made exceeding Rs.50,000 during the financial year. The Superintendent District Jail, Sheikhpura made payments during 1987-88 and 1988-89 in excess of Rs.50,000 to various firms either without deducting or less deducting income tax at source amounting to Rs.35,108.”

22-2-95: The para was settled subject to verification of recovery by Audit.

19. Para 11.18: Page 142 – Non-Deduction of Income Tax at Source – Rs.34,299

Audit had observed: “Amount of Rs.34,299 on account of Income Tax was not deducted at source by the Supdt. Distt.Jail, Shahpur Sadar, Distt. Sargodha during 1982-88 from the firms whose supplies exceeded Rs.50,000 during the financial year as required under Income Tax Ordinance, 1979.”

22-2-95: The Public Accounts Committee directed the Department to pursue the remaining recovery of Rs.14,703 vigorously. The para was kept pending.

12-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

20. Para 11.19: Page 142 – Non-Deduction of Income Tax at Source – (Rs.26,848)

Audit had observed: “Five firms detailed below supplied POL exceeding Rs.50,000 each during a year 1989-90. Deduction @ 2% income tax at source as required under Income Tax Ordinance, 1979 while making payment was not made.”

22-2-95: The contention of the Department was verified by the Audit. The para was settled.

21. Para 11.20: Page 143 – Un-Necessary Blocking of Government Money –Rs.22,000

Audit had observed: “Superintendent, Central Jail, Faisalabad incurred an expenditure of Rs.22,000 in 1975 on the purchase of one washing machine and one milling machine. Milling machine was transferred after seven years to Central Jail, Sahiwal but washing machine worth Rs.15,000 was still lying un-used and was deteriorating with passage of time. The expenditure was therefore un-necessary.”

22-2-95: The explanation of the Department was accepted and the para was settled.

22. Para 11.21: Page 143– Suspected Misappropriation of M.M. Woollen Yarn Worth Rs.14,700

Audit had observed: “The Superintendent, Central Jail, Faisalabad reduced M.M. Woolen Yarn, valuing Rs.14,700 from his store book as the same was to said to have been supplied to the District Jail, Attock. But no acceptance had been received from that end. Besides, the store book/raw material register of District Jail, Attock did not contain the receipt of Woolen Yarn. Hence, possibility of misappropriation of store could not be ruled out.”

22-2-95: The Audit observation had been complied with. The para was settled.

23. Para 11.22: Page 143– Misappropriation of Jail Manufactured Articles- Rs.14,582

Audit had observed: “In Central Jail, Faisalabad, Jail manufactured articles valuing Rs.14,582 were less accounted for in the Register of Manufactured Articles during the period 4/89 to 12/89.”

22-2-95: Recovery of Rs.14,582 had been made and verified by Audit. The para was

settled.

24. Para 11.23: Page 144– Irregular Purchase of Uniforms Articles Worth Rs.13,067,180

Audit had observed: “the contract for the supply of uniform articles for the year 1989-90 was awarded to the following contractors.

1) (Khaki Drill)	Rs.	7,612,500
2) M/s G.M.Chaudhry and sons. M/s Aziz Brothers.	Rs.	5,454,680

The exact specifications of cloth to be purchased were laid down in the tender notice. The cloth samples provided by the tenderers alongwith their bids were of inferior quality as per testing report of Central Testing Laboratory. In spite of that the tender was accepted and purchase was made. Deviations from the standard specification and purchase of inferior quality was brought to the notice of Department in February, 1991 and reminded in May, 1991 but no reply was received. Deviation from the standard/specification and purchase of cloth of inferior quality needed to be investigated. Audit advises disciplinary action against the concerned officials.”

22-2-95: The Public Accounts Committee was informed that Department purchased a sub-standard cloth for police personnel uniforms which was not in accordance with the samples provided by the contractors.

The Public Accounts Committed was of the view that a fair competition was not observed and appointed a sub-committee-6 subject to approval of Mr. Speaker, comprising the following members, for detailed scrutiny of the matter:-

1. Mian Manazir Ali Ranjha, MPA	Convener
2. Ch. Muhammad Iqbal, MPA	Member
3. Mian Intisar Hussain Bhatti, MPA	Member

3-8-95: The Audit objection was that, firstly the purchase of uniform cloth was not made according to the specification in the tender and, secondly, that instead of purchasing the mazri cloth at the rate of Rs.16 per meter, the Department had purchased it at the rate of 16.96 as a result of which an overpayment was made to supplier.

The Department explained that according to rule 2(a&b) of the Delegation of Financial Powers, 1990, the Inspector General of Police was competent to accord sanction for the purchase of cloth. Explaining the reasons for accepting the second lowest tender, the Department explained that its quality fulfilled their specifications. For recalling of tenders, it was explained that it was quite a lengthy process and cloth for uniforms of the force could not be procured in time. It was also brought to the notice of the Committee that the Governor had authorized the Department to make the purchase in relaxation of the normal procedure vide letter dated 22nd December 1969. Finance Department opined that purchase policy, laid down by Government, was not being followed by the Department. The Committee observed that

clarification should be sought from the Finance Department by the Police Department whether purchase policy did apply to other Departments and also the police or not. Audit also objected that the samples of the second lowest tender were not sent to the laboratory established under the Purchase Manual. The Department further explained that since at the time of purchase none of the Members objected, therefore no sample was kept by them. The Committee observed that:-

- i) due to the delay of eight years and the non-availability of samples, accountability was not possible;
- ii) Prime facie there was some irregularity in the purchase of the cloth at the rate of Rs.16.94 per meter instead of Rs.16.
- iii) there was irregularity in not calling the tenders again and, as such, correct procedure was not adopted in the purchase.

The Committee decided:-

- a) That in future, the Department should strictly follow the codal formalities of the Punjab Government Purchase Manual, 1985 and all purchases should be made accordingly.
- b) That the Department was big organization and while making purchases if second lowest offer had to be accepted then cogent reasons should be given and samples of the cloth should be retained for production as and when required.

Subject to above directions, the para was recommended to the Public Accounts Committee for settlement.

12-6-02: The Committee **settled the para** with the direction that the above recommendations of the sub-committee of PAC shall be implemented.

25. Para 11.24: Page 144 – Non Production of Record

Audit had observed: “Expenditure of Rs.395,000 was incurred during May, 1989 and June, 1989 on the purchase of “Chappal Black”, “Kit Box”, Khaki cloth” and “Steel Charpoy” under sanction of Additional Deputy inspector General of Police. The connected auditable record i.e. quotations, tender, comparative statement etc. were not produced by Superintendent of Police, Khanewal.”

22-2-95: As the necessary verification has been carried out by audit, **the para was settled.**

26. Para 11.25: Page 144 – Misappropriation of Rs.139,094

Audit had observed: “An amount of Rs.295,590 was received by Mr Muhamma Ilyas had constable for payment to WAPDA for the electricity chare of civil line police station, Lahore during January, 1989. The official paid Rs.20,000 to WAPDA and balance of Rs.95,590 was misappropriated.

Similarly the person in question received a payment of Rs.43,504 from SSP office

regarding contingent bills during 1988-89 but did not provide payees receipts in token of payment of the same.”

22-2-95: The Administrative Secretary gave an undertaking that the balance amount will be recovered within a month. **The para was settled** subject to recovery and its verification by Audit.

27. Para 11.26: Page 145 – Non Recovery of Auction Money of Canteen and Contract Money of Agricultural Land Rs.259,500

Audit had observed: “a) Sixty six acres of agricultural land attached with police lines Shaiwal, was leased out on contract during 1988-89 for Rs.315,000. Out of which Rs.210,000 were deposited into, “Regimental Fund” which is a private fund. Remaining amount of Rs.105,000 was deposited into Govt. account.”

Audit had observed: “b) Similarly a sum of Rs.49,500 was received from canteen contractor during 1988-89. This amount was also deposited into “Regimental Fund.”

22-2-95: 66 Acres State land of Police Department was auctioned for Rs.315,000 for agriculture purpose. Out of Rs.315,000 a sum of Rs.210,000 was deposited into private fund of Police Welfare Organizations. Similarly a sum of Rs.495,000 received from canteen contractor were also deposited towards Police Welfare Fund.

The Public Accounts Committee considered these transactions quite irregular as government revenue/receipts should always be deposited in the Government Treasury instead of a private fund.

The Department explained that the said land was actually taken on lease by Secretary Regimental Fund and cultivated the same through his own sources. The profit so derived was used for welfare fund of Police. Same is the case with canteen business which was constructed out of the profit of Police Regimental Fund.

The explanation of the Department was accepted and **para was settled**, subject to the observation that a reasonable amount of rent of state land whereupon the canteen had been constructed by the Welfare Organization, may be fixed and deposited in the Government Treasury regularly.

28. Para 11.27: Page 145 – Non-Deduction of Income Tax at Source of Rs.70,589

Audit had observed: “In the office of S.S.P, Lahore income tax amounting to Rs.70,589 was not deducted at source from certain firms during 1988-89, in violation of the provisions of Income Tax Ordinance, 1979.”

22-2-95: The para was settled, subject to the recovery of the balance amount and its verification by Audit.

29. Para 11.28: Page 146 – Non Realization of Rent and Other Charges from RGA Amounting to Rs.431,335

Audit had observed: “A big hall was given to M/S. RGA with effect from February 1984 on monthly rent of Rs.50,000 plus charges of Electricity bill, water charges and labour charges @ Rs.12 per labourer for manufacturing of T.Vs within Jail premises. Monthly rent was not paid since June, 1989 and the factory had been closed from February 1990. The amount of Rs.431,335 on account of rent etc. was recoverable from M/S RGA.”

22-2-95: The Committee directed that efforts be made at personal level to effect the recovery from the firm. The action of recovery as arrears of land revenue may also be pursued. The para was kept pending for recovery.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 22 February 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

Annexure Para

1. Para No.7/1978-79 Page 299 read with Sr. No.56 of Audit Report for the Year 1990-91; Excess Expenditure on Residential Telephones-Rs.140,620.

10-6-02: In line with the decision of the PAC dated 16-1-1982, **the Committee settled the para with the direction** that the Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Housing, Physical Planning, and Public Health Engineering Department

Overview

Total Paras	Civil	Works	Annexure Paras
138	1	54	83

Abstract

Status	Decision	Para Nos.	Total
7		Works: Housing & Physical Planning: I-2, I-4	2
		Annexure Paras: 63(6)/81-82, 66(2)/81-82, 82(3)/82-83, 74(4)/83-84, 74(2)/83-84	5
57		Civil: 12.1	1
		Works: Public Health Engineering: I-1 to 1-12, II-1 to II-8 III-1 to III-3	23
		Housing & Physical Planning: I-1, I-3,	2
		Annexure Paras: 73/72-73, 74/72-73, 72(2)83-84, 72(5)/83-84, 73(2)/83-84, 74(3)/83-84, 74(4)/83-84, 74(5)/83-84.	8
		LDA: I-1 to I-6, II-1 to II-3, III-1 to III-2	11
		MDA: I-1, I-2, II-1, II-2, II-3, III-1, III-2,	7
74		FDA: I-1, I-2, II-1, III-1, III-2,	5
		Public Health Engineering : Annexure Paras: 131(1)/65-66, 131(6)/65-66, 135(1)/65-66, 161/66-67, 118/70-71, 74(iii)/71-72, 106(iv)/72-73, 108/72-73, 1(ii)/74-75, 70(4)/81-82, 68(1)/81-82, 69(2)/81-82, 71(10)/81-82, 72(5)/81-82, 136(i)/82-83, 132(2)/82-83, 133(2)/82-83, 137(3)/82-83, 137(i)/82-83, 138(i)/82-83, 17(a)25(2)/60-61	21
		Housing & Physical Planning: Annexure Paras: 63(2)/81-82, 63(8)/81-82,	11

		84/82-83, 73(7)/83-84, 73(3)/83-84, 74(1)/83-84, 75(1)/83-84, 76(1)/83-84, 76(2)/83-84, 76(3)/83-84, 77(1)/83-84.	
		LDA: I-7, II-4, III-3, IV-1	4
		Annexure Paras: 120/82-83, 119/82-83, 121/82-83, 96(1)/82-83, 96(2)/82-83, 96(3)/82-83, 97(2)/82-83, 110(3)/82-83, 110(5)/82-83, 110(6)/82-83, 110(8)/82-83, 110(9)/82-83, 111(11)/82-83, 111(1)/82-83, 111(2)/82-83, 111(3)/82-83, 111(4)/82-83, 115(5)/82-83, 115(6)/82-83, 111(7)/82-83, 111(8)/82-83, 111(10)/82-83, 112(i)/82-83, 112(2)/82-83, 112(3)/82-83, 113(2)/82-83, 114(3)/82-83, 115(1)/82-83, 115(2)/82-83, 115(3)/82-83, 116(7)/82-83,	31
		Performance Audit: MDA Annexure Paras: 103(3)/83-84, 127(1)/83-84, 128(I)/83-84, 163(i)/83-84	4
		FDA Annexure Paras: 25/82-83, 29/82-83, 31/82-83,	3

Discussed on 29 September 1999 and 12-13 June 2002

Housing and Physical Planning

Civil Audit

1. Para 12.1: Page 147 – Purchase of Furniture Without Competency

Audit had observed: “A sum of Rs.38,990 was incurred on the purchase of furniture without observing codal formalities. The Superintending Engineer accorded sanction beyond his competency against Rule 3b(ii) of delegation of Powers, 1962 and purchases were made without obtaining quotations in contravention of Rule 15.2 of P.F.R. Vol.1. References were made to the Department in June, 1991 by Audit but reply was awaited. The expenditure needs to be got regularized with the sanction of the competent authority.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31

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

Public Health Engineering Department Works Audit

1. Para I-1: Page 135 – Excess Payment to Contractor– P.H.E. Division Bahawalnagar– Rs.32,208

Audit had observed: “Water supply pipe lines were laid by contractors, but the deduction of spaces occupied by specials between the pipe lines was not made which resulted in an overpayment of Rs.32,208 due to weak accounting and technical controls.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

2. Para I-2: Page 135 – Excess Payment to Contractor– P.H.E. Division Hafizabad– Rs.28,677

Audit had observed: “A payment for an item of work Cast Iron Flanges was made at an excessive rate of Rs.4.65 per K/G. which resulted in an overpayment of Rs.28,677 to a contractor.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

3. Para I-3: Page 135 – Excess Payment to Contractor– P.H.E. Division Multan– Rs.16,583

Audit had observed: “Water supply pipe lines laid by various contractors, but the deduction of spaces occupied by specials was not made, which resulted in an overpayment of Rs.16,583.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

4. Para I-4: Page 135 – Excess Payment to Contractor– P.H.E. Division Sahiwal– Rs.35,827

Audit had observed: “Water supply pipe lines of various dia were laid by a contractor, but the deduction of spaces occupied by specials was not made, which resulted in an overpayment of Rs.35,827 (separate payment was made for special).”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

5. Para I-5: Page 136 – Excess Payment to Contractor– P.H.E. Division Vehari– Rs.43,796

Audit had observed: “A payment of Rs.43,796 on account of dismantling/restoration of brick pavement and maintenance of water supply line was made to contractors twice which resulted in an overpayment of Rs.43,796.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

6. Para I-6: Page 136 – Excess Payment to Contractor– P.H.E. Division Sahiwal–

Rs.12,539

Audit had observed: “A payment of Rs.12,539 was made to a contractor for the item of work already paid to another contractor, which resulted in an overpayment of Rs.12,539 to the contractor due to loose accounting and technical controls.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

7. Para I-7: Page 136 – Excess Payment to Contractor– P.H.E. Division Hafizabad– Rs.22,656

Audit had observed: “Earth obtained from excavation was not taken into account which resulted in an overpayment of Rs.22,656 to a contractor.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

8. Para I-8: Page 137 – Excess Payment to Contractor– P.H.E. Division Khanewal– Rs.31,644

Audit had observed: “An un-approved item was got executed and paid which resulted in an overpayment of Rs.31,644 to a contractor.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

9. Para I-9: Page 137 – Excess Payment to Contractor– P.H.E. Division Rajanpur– Rs.17,373

Audit had observed: “Conversion factor of 0.38 feet for calculation of the quantity of “brick pavement/soling” was applied instead of 0.375 feet which resulted in an excess payment of Rs.17,373 to a contractor. The excess payment was pointed out in January 1990. An interim reply was given. The matter was brought to the notice of the Administrative Secretary in July 1990 and was also discussed in the Departmental Accounts Committee meeting in May 1991...”

13-6-02: Pursuant to the decision of DAC in May 1991, the Committee settled the para subject to the following direction–

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

10. Para I-10: Page 137 – Excess Payment to Contractor– P.H.E. Division Khanewal– Rs.55,893

Audit had observed: “Quantity of 9,456 cft. surplus earth available at site was not utilized in the item of earth filling in streets. Instead the earth brought from out-side was used and paid over and above the approved quantity which resulted in an overpayment of Rs.55,893 to a contractor.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

11. Para I-11: Page 138 – Excess Payment to Contractor– P.H.E. (MECH) Division Sheikhpura– Rs.15,180

Audit had observed: “High rates were paid for connection of Asbestos Cement/Cast Iron pipes in running water supply schemes on item rate where as the rate for the item in question existed in the Composite Schedule of Rates, 1979 (item No.37, Page 199-200). This resulted not only in an overpayment of Rs.15,180 to a contractor but also violation of the rules.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

12. Para I-12: Page 138 – Excess Payment to Contractor– P.H.E. Division No.1 Faisalabad– Rs.13,650

Audit had observed: “Payment of earth placed under soling in streets was made at a rate higher than the admissible rate in the Composite Schedule of Rates, 1979 which resulted in an overpayment of Rs.13,650 to various contractors from September 1988 to July 1989.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para II-1: Page 139 – Non-recovery of Government Dues– P.H.E. Division Multan– Rs.291,000

Audit had observed: “This division conducted water tests on behalf of other divisions but the charges of Rs.291,000 for water tests were not recovered.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

14. Para II-2: Page 139 – Non-Recovery of Government Dues– P.H.E. Division No.III Rawalpindi– Rs.15,630

Audit had observed: “Quantity of 14,590 sft flagged flooring was dismantled and a quantity 4,504 sft. was got restored but the balance quantity of 10,086 sft. worth Rs.15,630 was neither consumed on restoration nor its accountal was shown to Audit.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

15. Para II-3: Page 139 – Non-Recovery of Government Dues– P.H.E. Division Hafizabad– Rs.323,640

Audit had observed: “A contract was finalized for minus amount of Rs.323,640. The minus bill was due to non recovery of Secured Advance of Rs.261,000 & Rs.62,640 as interest accrued thereon which was not recovered from the contractor as per Indenture Bond signed by the contractor under Rule 7.34 of Departmental Financial Rules.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

16. Para II-4: Page 140 – Non-Recovery of Government Dues– P.H.E. Division Rajanpur– Rs.30,461

Audit had observed: “An amount of Rs.30,461 was placed by the Department in Misc.P. W. Advance against some officers/officials in 1982-83 and 1985-86 on account of P.O.L. charges and excess payments made by them.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

17. Para II-5: Page 140 – Non-Recovery of Government Dues– P.H.E. Division Kasur– Rs.19,855

Audit had observed: “Connection fees and water charges amounting to Rs.19,855 were not recovered from the persons, to whom water connections were given. This resulted in a loss of Rs.19,855 to the Government.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

18. Para II-6: Page 140 – Non-Recovery of Government Dues– P.H.E. Division Kasur– Rs.4,831,510

Audit had observed: “An expenditure of Rs.4,831,510 was incurred in excess of deposit which was irregular and in contravention of Rule 7.130 of the Departmental Financial Rules.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

19. Para II-7: Page 140 – Non-Recovery of Government Dues– P.H.E. Division D.G. Khan-II– Rs.5,375,445

Audit had observed: “An expenditure of Rs.5,375,445 was incurred in excess of deposit which was irregular and in contravention of Rule 7.130 of the Departmental Financial Rules.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

20. Para II-8: Page 141 – Non-Recovery of Government Dues– P.H.E. Division Rajanpur– Rs.64,899

Audit had observed: “Electric charges were not recovered from the agencies on whose behalf payment was made. This resulted in non-recovery of Rs.64,899.”

13-6-02; Pursuant to the decision of DAC in May 1991, the Committee settled the para subject to the following direction–

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

21. Para III-1: Page 142 – Loss to Government– P.H.E. Division Kasur– Rs.87,053

Audit had observed: “Sixty eight percent premium on Civil Works and 92% on Drains & Brick work was provided in the original contract. The Department paid 95% and 132% premium to a contractor which resulted in a loss of Rs.87,053 to the Government.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

22. Para III-2: Page 142 – Loss to Government– P.H.E. Division Lahore– Rs.3,337,000

Audit had observed: “An unspent budget grant of Rs.3,337,000 was debited to works and credited to Personal Ledger Account instead of surrendering to Government account, which was irregular under para 4.59 of Building & Roads Department Code. This resulted in an irregular utilization of budget grant in June 1989.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

23. Para III-3: Page 143 – Loss to Government– P.H.E. Division Rajanpur– Rs.75,020

Audit had observed: “One hundred & Twenty One meter seamless pipe @ Rs.620 per meter was issued to a contractor in May 1984 and debited to the scheme without any provision in the estimate and agreement. Subsequently, the same was credited to the scheme in February 1987. The material was never utilized any where and was deteriorated, resulting in a loss of Rs.75,020 to the Government.”

13-6-02: The Committee considered the matter and **settled the para subject to the following direction–**

The Department shall produce the relevant record for verification to Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. Disciplinary action shall also be taken against the persons responsible for not implementing the decision of the DAC. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Annexure Paras

- 1. Para No. 131(1)/65-66: Page 201 read with Sr. No.1 of Audit Report for the Year 1990-91; Shortage of Material-Rs.48,778 & Rs.14,384**
- 2. Para No. 131(6)/65-66: Page 201 read with Sr. No.2 of Audit Report for the Year 1990-91; Shortage of Material-Rs.38,940 & Rs.18,062**
- 3. Para No. 135(1)/65-66: Page 201 read with Sr. No.3 of Audit Report for the Year 1990-91; Non-Recovery of Material-Rs.35,996 & Rs.20,275**
- 4. Para No. 161/66-67: Page 201 read with Sr. No.4 of Audit Report for the Year 1990-91; Overpayment-Rs.5,845**
- 5. Para No. 118/70-71: Page 201 read with Sr. No.5 of Audit Report for the Year 1990-91; Excess Payment-Rs.30,983 & Rs.3,751**
- 6. Para No. 74(iii)/71-72: Page 202 read with Sr. No.6 of Audit Report for the Year 1990-91; Shortage of Material-Rs.56,960 & Rs.39,894**
- 7. Para No. 106(iv)/72-73: Page 202 read with Sr. No.7 of Audit Report for the Year 1990-91; Shortage of Store-Rs.42,935**
- 8. Para No. 108/72-73: Page 202 read with Sr. No.8 of Audit Report for the Year 1990-91; Loss to Government-Rs.28,084 & Rs.15,224**
- 9. Para No. 11(ii)/74-75: Page 202 read with Sr. No.9 of Audit Report for the Year 1990-91; Misappropriation of Material-Rs.91,080 & Rs.7,799**
- 10. Para No. 70(4)/81-82: Page 202 read with Sr. No.10 of Audit Report for the Year 1990-91; Misappropriation of Material-Rs.23,484**
- 11. Para No. 68(1)/81-82: Page 202 read with Sr. No.11 of Audit Report for the Year 1990-91; Wasteful Expenditure-Rs.1,040,500 & Rs.1,003,240**
- 12. Para No. 69(2)/81-82: Page 202 read with Sr. No.12 of Audit Report for the Year 1990-91; Loss to Government-Rs.125,007 & Rs.60,302**

13. Para No. 71(10)/81-82: Page 203 read with Sr. No.13 of Audit Report for the Year 1990-91; Non-Recovery-Rs.13,780 & Rs.8,489

14. Para No. 72(5)/81-82: Page 203 read with Sr. No.14 of Audit Report for the Year 1990-91; Shortage-Rs.5,118 & Rs.4,878

15. Para No. 136(i)/82-83: Page 203 read with Sr. No.15 of Audit Report for the Year 1990-91; Excess Payment-Rs.126,119

16. Para No. 132(2)/82-83: Page 203 read with Sr. No.16 of Audit Report for the Year 1990-91; Non-Recovery of Government Dues-Rs.90,334

17. Para No. 133(2)/82-83: Page 203 read with Sr. No.17 of Audit Report for the Year 1990-91; Non-Recovery of Government Dues-Rs.58,000

18. Para No. 137(3)/82-83: Page 203 read with Sr. No.18 of Audit Report for the Year 1990-91; Shortage of Store-Rs.13,970 & Rs.7,756

19. Para No. 137(i)/82-83: Page 203 read with Sr. No.19 of Audit Report for the Year 1990-91; Shortage of Store-Rs.72,867 & Rs.10,267

20. Para No. 138(i)/82-83: Page 203 read with Sr. No.20 of Audit Report for the Year 1990-91; Loss Due to Theft-Rs.12,755

21. Para No. 17(a)25(2)/60-61: Page 203 read with Sr. No.21 of Audit Report for the Year 1990-91; Excessive Deposit-Rs.4,970,177

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. The Paras (Sr. No.1 to 21 above) were **kept pending**.

Housing and Physical Planning Department Works Audit

1. Para I-1: Page 147 – Overpayment of Rs.87,031

Audit had observed: “Laying charges of A.C. pipe were paid at item rate instead of at labour rates available in the Composite Schedule of Rates, 1979 which resulted in an overpayment of Rs.87,031 to a contractor.”

29-9-99: The Department explained that the work was awarded to the contractor with lowest bid. The Department had paid a sum of Rs.526,865 and if the contention of Audit was accepted then the contractor would have been paid Rs.582,954. So the Department saved the Government money amounting to Rs.56,089. The expenditure incurred was within the provision of T.S estimate.

The PAC was not satisfied with the explanation and directed that the Administrative Secretary himself would examine the case to ascertain whether the rates paid were correct or not as per provision of the rules and regulations and whether any malafide intention was involved or not.

The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

2. Para I-2: Page 147 – Overpayment of Rs.15,440

Audit had observed: “The rate for Reinforced Cement Concrete 1:2:4 in corewall was paid @ Rs.21/05 instead of Rs.15/70 per cft because the work required no form work. This resulted in an overpayment of Rs.15,440.”

29-9-99: The Department explained that payment had been made correctly according to the work done at site. The perusal of the relevant M.B. showed that core wall was built earlier before laying of masonry. Therefore, no overpayment was involved. The PAC accepted the explanation and **the para was settled.**

3. Para I-3: Pages 147-148–Excess Payment of Rs.69,980

Audit had observed: “Deduction of road crust, road edging, camber @ 2% and slopes @ 4% was not made from the quantity of earth work of embankment recorded on the basis of cross section which resulted in an excess payment of Rs.69,980 to a contractor.”

29-9-99: The Department explained that payment to the contractor had been made according to the L-Section and X-Section. The quantities had been worked out as per actual earth work executed at site. Therefore, the deduction of crust, camber and slopes was not required. The quantity paid was provided in the T.S. estimate.

The PAC settled the para subject to verification of record in support of departmental reply by Audit.

4. Para I-4: Page 148 – Overpayment of Rs.23,544

Audit had observed: “The payment of laying PVC pipes was made without deduction of the length of sockets which resulted in an overpayment of Rs.23,544 to a contractor.”

29-9-99: The Department explained that as per item No.22 page 192 of the CSR-1979 no deduction was applicable when P.V.C. pipes were jointed with sockets. Practically there remained a nominal space between the joints of two pipes connected with P.V.C. sockets which was normally not deducted. The PAC accepted the explanation and **the para was settled.**

Annexure Paras

1. Para 73/72-73 read with Sr.No.01 Page 204 – Shortage of Timber Rs.12,593

29-9-99: The Department explained that relevant record had been transferred to LDA. However write off sanction had also been obtained from the Finance Department. **The PAC settled the para subject to verification** of write off sanction by Audit.

2. Para 74/72-73 read with Sr.No.01 Page 204 – Shortage of Timber Worth Rs.207,525

29-9-99: The Department explained that defaulter Sub Engineer had been convicted by the special judge ACE and was awarded 7 years imprisonment and fine of Rs.57,000. In case of non-payment of fine he would undergo more imprisonment of 3-1/2 years. A case for the write off sanction of the loss was being processed.

The PAC settled the para with the remarks that the Department would submit a comprehensive note about the recovery of fine of Rs.57,000 and imprisonment of the said sub engineer to the PAC.

3. Para 63(2)/81-82 read with Sr.No.02 Page 204 – Loss to Government Rs.137,000

29-9-99: The Department explained that the matter was sub-judice.

The PAC kept the para pending and directed the Department to pursue the case in court vigorously.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and

the Finance Department. **The Para was kept pending.**

4. Para 63(6)/81-82 read with Sr.No.03 Page 204 – Theft of Stone of Rs.11,433

29-9-99: The Department explained that write off sanction of the loss had been verified by Audit and Audit had recommended the para for settlement. The PAC accepted the explanation and **the para was settled.**

5. Para 63(8)/81-82 read with Sr.No.04 Page 204 – Loss to Government Rs.48,190

29-9-99: The Department explained that recovery in question had been referred to D.C/ Collector Jhang to make good the same as arrears of land revenue.

The PAC directed that recovery may be effected within three months through arrears of land revenue. An enquiry may also be conducted to ascertain as to who was responsible for issuing the secured advance in violation of rules. The defaulter may be proceeded against for severe departmental action. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

6. Para 66(2)/ 81-82 read with Sr.No.05 Page 204 – Shortage of Store Rs.9,000

29-9-99: The loss of Rs.9,000 had since been written off by the Competent Authority. Necessary adjustment in this regard had also been made.

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

7. Para 82(3)/82-83 read with Sr.No.06 Page 204 – Shortage of Store Rs.14,510

29-9-99: The Department explained that write off sanction of the loss had been accorded by the Competent Authority and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

8. Para 84/82-83 read with Sr.No.07 Page 204 – Non-Recovery of Hire Charges of Machinery Rs.30,998

29-9-99: The Department explained that all the officers/officials responsible for non-recovery of hire charges had since been repatriated to their parent Departments and therefore, disciplinary action against them was not possible. Anyhow, a further sum of Rs.6,000 had been recovered.

The PAC directed that balance recovery may be got written off by the Competent Authority. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

9. Para 72(2)/83-84 read with Sr.No.8 Page 205 – Non-Accountal of Bitumen Rs.626,000

29-9-99: The Department explained that an enquiry was conducted and according to the enquiry report, necessary accountal of the store had already been made. **The PAC settled the para subject to the verification** of relevant record by Audit.

10. Para 74(4)/ 83-84 read with Sr.No.9 Page 205 – Loss to Government Rs.117,000

29-9-99: The Department explained that an amount of Rs.116,863 had since been remitted by the Bank which had been deposited with the Government. The PAC accepted the explanation and **the para was settled.**

11. Para 72(5)/ 83-84 read with Sr.No.10 Page 205 – Overpayment of Rs.33,335

29-9-99: The Department explained that an enquiry was conducted which showed that site of scheme was changed by the Government and no officer of Housing & Physical Planning Department was at fault. The enquiry officer had also recommended that expenditure in question may be written off.

The PAC settled the para subject to write off sanction by the Competent Authority and verification of the same by Audit.

12. Para 73(2)/ 83-84 read with Sr.No.11 Page 205 – Non-Recovery of Secured Advance of Rs.138,524

29-9-99: The Department explained that consumption of material worth Rs.5,339 had been got verified by Audit. The remaining material worth Rs.25,750 was available as per material at site.

The PAC settled the para subject to verification of record by Audit showing the consumption of material worth Rs.5,339 and availability of balance material.

13. Para 73(7)/ 83-84 read with Sr.No.12 Page 205 – Non-Recovery and Accountal of Secured Advance of Rs.39,694

29-9-99: The Department explained that para had been reduced to Rs.23,961. The D.C/ Collector concerned (Sahiwal) had been requested to effect recovery as arrears of land

revenue. Meanwhile the contractor filed a civil suit against the recovery and the court decided the case in favour of the contractor. The Department had now filed an appeal against the said court decision.

The PAC directed that recovery may be made good from the contractor within three months as arrears of land revenue.

The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

14. Para 73(3)/83-84 read with Sr.No.13 Page 205 – Non-Recovery of Secured Advance of Rs.120,685

29-9-99: The Department apprised the PAC that the matter was subjudice.

The PAC directed the Department to pursue the case vigorously and by taking special care. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

15. Para 74(1)/ 83-84 read with Sr.No.14 Page 206 – Loss Due to Theft of Rs.88,400

29-9-99: The Department explained that scheme in question had been transferred to LDA since 8/1993 alongwith the relevant record. Therefore, the para may be transferred to LDA.

The PAC reiterated its previous directive dated 21-4-88 wherein the Department was directed to finalize the case within three months under intimation to PAC. The PAC again stressed the compliance of the said directive and the para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

16. Para 74(2)/83-84 read with Sr.No.15 Page 206 – Loss Due to Theft of Rs.10,000

29-9-99: The Department explained that loss had since been written off and write off sanction had been got verified by Audit. The PAC accepted the explanation and **the para was settled.**

17. Para 74(3)/83-84 read with Sr.No.16 Page 206 – Loss Due to Theft of Rs.9,800

29-9-99: The Department explained that the case for the write off sanction of the loss was under process.

The PAC settled the para subject to the said write off sanction by the Competent Authority and verification of the same by Audit.

18. Para 74(4)/83-84 read with Sr.No.17 Page 206 – Loss Due to Theft of Rs.16,000

29-9-99: The Department explained that the loss had since been got written off by the Competent Authority.

The PAC settled the para subject to verification of write off sanction by Audit.

19. Para 74(5)/83-84 read with Sr.No.18 Page 206 – Theft of Stone Rs.10,366

29-9-99: The Department explained that necessary write off sanction of the loss had since been accorded by the Competent Authority.

The PAC settled the para subject to verification of said write off sanction by Audit.

20. Para 75(1)/83-84 read with Sr.No.19 Page 206 – Non-Recovery of Hire Charges Rs.473,122

29-9-99: The Department explained that amount involved had been reconciled with Audit and as a result the amount of the para had been reduced to Rs.372,012. The D.C. Lahore had been requested to recover the amount from the defaulters as arrears of land revenue.

The PAC directed that the recovery may be made good as arrears of land revenue and if it was not possible then case for write off sanction may be moved. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

21. Para 76(1)/83-84 read with Sr.No.20 Page 206 – Non-Recovery of Hire Charges Rs.2,555,482

29-9-99: The Department explained that the para had been transferred to L.D.A. and L.D.A. authorities would effect the recovery.

The PAC directed the Department to expedite the recovery for its early finalization. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and

the Finance Department. **The Para was kept pending.**

22. Para 76(2)/83-84 read with Sr.No.21 Page 206 – Non-Recovery of Hire Charges of Machinery Rs.177,097

29-9-99: The Department explained that a sum of Rs.60,327 had been recovered leaving a balance of Rs.116,769.

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

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

23. Para 76(3)/83-84 read with Sr.No.22 Page 206 – Non-Recovery of Hire Charges Rs.85,250

29-9-99: The Department explained that after scrutiny of the relevant record the para had been reduced to Rs.54,950 after deducting idle days, holidays and rainy days. The concerned contractors were no more working with the Department. Therefore, a case for write off sanction of amount involved was in process.

The PAC directed that recovery may be effected according to the entries of relevant Log Book either from the contractors concerned or from the officer responsible for non recovery of Government dues. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

24. Para 77(1)/83-84 read with Sr.No.23 Page 207 – Shortage of Material Rs.603,531

29-9-99: The Department explained that the para related to the Township Scheme, Lahore which had been transferred to L.D.A. since 8/1993 alongwith all record, assets, stores including T&P, machinery and all liabilities. Therefore, L.D.A. may be directed to explain the position before the PAC.

The PAC directed that its directive dated 21-4-1988 may be complied with in letter and spirit before the next meeting of the Committee. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and

the Finance Department. **The Para was kept pending.**

Lahore Development Authority Works Audit

1. Para I-1: Page 151 – Excess Payment to Contractor– Deputy Director Road-I– Rs.326,959

Audit had observed: “Stone received from dismantling of a road was required to be reused in the reconstruction of the same road. The extra stone was, however, required to be arranged from Chiniot. The rates for both the items were different. It was noticed that the payment for re-using the stone received from dismantling was correctly made upto 6th running bill, but in the seventh running payment the quantity was divided into parts and payments for dismantled quantity was made at the rate meant for the stone brought from Chiniot which resulted in an overpayment of Rs.326,959 to a contractor in August 1990.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

2. Para I-2: Page 151 – Excess Payment to Contractor– Deputy Director Roads-II– Rs.138,921

Audit had observed: “Entries of proposed pier caps were recorded but payment was made for proposed beams as a part of deck slab on higher rate. This resulted in an overpayment of Rs.138,921.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

3. Para I-3: Page 151 – Excess Payment to Contractor– Deputy Director Roads-II, U.D. Wing, Lahore– Rs.13,587

Audit had observed: “An additional payment of steal chairs used for Reinforced Cement

Concrete was made which was not admissible as per remarks against item No.8, page 55 of the Composite Schedule of Rates, 1979. This resulted in an excess payment of Rs.13,587 to a contractor.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para I-4: Page 152 – Excess Payment to Contractor– Construction Division-II– Rs.44,092

Audit had observed: “An overpayment of Rs.44,092 was made to a contractor on account of application of incorrect rate of Rs.139.60 instead of Rs.124.05 as per item 10 page 28 of the Composite Schedule of Rates, 1979 for the item of “earth work excavation in irrigation channels, drains etc.” The overpayment pointed out in December 1990, was admitted.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

5. Para I-5: Page 152 – Excess Payment to Contractor– Rs.34,527; i) Construction Division No.I; ii) Construction Division No.VI; iii) Operation Division West; iv) Central Division

Audit had observed: “Deduction of spigot socket portion of the pipe was not made which resulted in an overpayment of Rs.34,527 to contractors.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

6. Para I-6: Page 152 – Excess Payment to Contractor– Construction Division No.VI– Rs.90,943

Audit had observed: “Deduction on pipe portion in pacca brick work for manholes was not made which resulted in an overpayment of Rs.90,943 to contractors.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

7. Para I-7: Page 153 – Excess Payment to Contractor– Deputy Director Roads-II LDA– Rs.108,725

Audit had observed: “High non-schedule rate of Rs.9.58 per kg. for fabrication of 60 grade steel was allowed to a firm against the admissible rate of Rs.9.45 per kg. as per agreement. This resulted in an overpayment of Rs.108,725.”

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

8. Para II-1: Page 154 – Non-Recovery of Government Dues– Executive Engineer (WEST) LDA, WASA, Lahore– Rs.256,193

Audit had observed: “Rs.256,193 on account of illegal and un-authorized water connections were not recovered from consumers.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

9. Para II-2: Page 154 – Non-recovery of Government Dues– Director Horticulture L.D. A.– Rs.12,240

Audit had observed: “An amount of Rs.12,240 on account of Income Tax due from a firm was not recovered from them while making payment.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

10. Para II-3: Page 154 – Non-Recovery of Government Dues– Project Director Gulshan-e-Iqbal U.D. Wing, Lahore– Rs.68,980

Audit had observed: “An amount of Rs.68,980 was not recovered from a contractor on account of a parking stand in Gulshan-e-Iqbal Park leased out to him during the period from 1st November 1987 to 30 November 1988.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

11. Para II-4: Page 154 – Non-Recovery of Government Dues– Directorate Horticulture L.D.A.– Rs.15,029,320

Audit had observed: The Lahore Development Authority spent Rs.30,058,640 during the year 1988-89 & 1989-90 on the maintenance of the parks and green verges. According to a decision taken in the meeting held under the Chairmanship of the Minister for Local Government, Punjab on 16 February 1987, fifty percent of the maintenance cost of the parks and the green verges would be paid by the Lahore Metropolitan Corporation but the fifty percent share of Rs.15,029,320 due from the Corporation was not recovered.”

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

12. Para III-1: Page 156 – Loss to Government– Mechanical Division L.D.A.– Rs.11,762,208

Audit had observed: “Batching and Mixing plant was imported from Italy on Barter allocation during June 1983 at a cost of Rs.11,762,208. Since then the Plant has been lying

unused and it will become unserviceable with the passage of time if it has already not reached that condition. Thus unnecessary purchase of the plant put the Government to a loss of Rs.11,762,208.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

13. Para III-2: Page 156 – Loss to Government– Director Finance, L.D.A., U.D. Wing Lahore– Rs.486,275

Audit had observed: “The Authority hired a building for office use which was not occupied due to change in the decision. But according to the deed, the Authority had to pay Rs.486,275 (two months accrued rent plus three months notice rent) which resulted in a loss of Rs.486,275 to the Authority.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

14. Para III-3: Page 156 – Loss to Government– Project Director Gulshan-e-Iqbal– Rs.388,025

Audit had observed: “A contract was executed with a company to provide amusements in a park and the Authority was to receive 25% of the gross income from sale of tickets less Excise Duty/Tax. The company started deducting entertainment duty from the gross income whereas the Excise and Taxation Department had exempted the company from entertainment duty. The irregular deduction of duty put the Government to a loss of Rs.388,025.”

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

15. Para IV-1: Page 158 – Non Production of Record by Director Land Development, Director Estate Management and Deputy Director Kachi Abadies (Allotment)

Audit had observed: “In term of the provision laid in Article 11(1)(iv) of the Pakistan

(Audit and Accounts) order, 1973 Audit of Lahore Development Authority UD, Wing, Lahore was undertaken as a statutory function of Auditor General of Pakistan and in exercising this power on behalf of the Auditor General a Concurrent Audit Office Lahore Development Authority UD Wing, Lahore to conduct statutory audit of all the formations/divisions, was established in October 1983. During annual local audit Director Land Development, Director Estate Management and Deputy Director Kachi Abadies (allotment) neither produced record from 1989 to 1992 nor supplied replies to Audit observations issued in the previous years. The Director General Audit (Works) Lahore took up the case demi-officially with the Director General, Lahore Development Authority in August 1991 and with the Administrative Secretary in November 1991 but no reply was received.”

13-6-02: The Committee decided that the facts of the case required further examination. For the purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

Annexure Paras

Lahore Development Authority, Lahore (WASA)

1. **Para No.120/82-83: Page 208 read with Sr. No.1 of Audit Report for the Year 1990-91; Fraudulent Payment-Rs.22,225**
2. **Para No.119/82-83: Page 208 read with Sr. No.2 of Audit Report for the Year 1990-91; Excess Payment-Rs.45,603**
3. **Para No.121/82-83: Page 208 read with Sr. No.3 of Audit Report for the Year 1990-91; Fictitious Payment-Rs.11,921**

The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. The Paras (Sr. No.1 to 3 above) were **kept pending**.

L.D.A. (U.D. Wing)

1. **Para No.96(1)/82-83: Page 208 read with Sr. No.1 of Audit Report for the Year 1990-91; Non-Recovery of Mobilization Advance-Rs.1,347,545**
2. **Para No.96(2)/82-83: Page 209 read with Sr. No.2 of Audit Report for the Year 1990-91; Non-Recovery of Mobilization Advance-Rs.1,020,000**
3. **Para No.96(3)/82-83: Page 209 read with Sr. No.3 of Audit Report for the Year 1990-91; Non-Recovery of Mobilization Advance-Rs.888,000**

- 4. Para No.97(2)/82-83: Page 209 read with Sr. No.4 of Audit Report for the Year 1990-91; Non-Recovery-Rs.33,344**
- 5. Para No.110(3)/82-83: Page 209 read with Sr. No.5 of Audit Report for the Year 1990-91; Overpayment-Rs.143,585**
- 6. Para No.110(5)/82-83: Page 209 read with Sr. No.6 of Audit Report for the Year 1990-91; Overpayment-Rs.59,218**
- 7. Para No.110(6)/82-83: Page 209 read with Sr. No.7 of Audit Report for the Year 1990-91; Overpayment-Rs.50,100**
- 8. Para No.110(8)/82-83: Page 210 read with Sr. No.8 of Audit Report for the Year 1990-91; Overpayment-Rs.20,565**
- 9. Para No.110(9)/82-83: Page 210 read with Sr. No.9 of Audit Report for the Year 1990-91; Overpayment-Rs.14,747**
- 10. Para No.111(11)/82-83: Page 210 read with Sr. No.10 of Audit Report for the Year 1990-91; Overpayment-Rs.5,400**
- 11. Para No.111(1)/82-83: Page 210 read with Sr. No.11 of Audit Report for the Year 1990-91; Fraudulent Payment-Rs.484,400**
- 12. Para No.111(2)/82-83: Page 210 read with Sr. No.12 of Audit Report for the Year 1990-91; Fraudulent Payment-Rs.127,540**
- 13. Para No.111(3)/82-83: Page 211 read with Sr. No.13 of Audit Report for the Year 1990-91; Fraudulent Payment-Rs.63,970**
- 14. Para No.111(4)/82-83: Page 211 read with Sr. No.14 of Audit Report for the Year 1990-91; Fraudulent Payment-Rs.59,700**
- 15. Para No.115(5)/82-83: Page 211 read with Sr. No.15 of Audit Report for the Year 1990-91; Fraudulent Payment-Rs.59,000**
- 16. Para No.115(6)/82-83: Page 211 read with Sr. No.16 of Audit Report for the Year 1990-91; Fraudulent Payment-Rs.54,000**
- 17. Para No.111(7)/82-83: Page 211 read with Sr. No.17 of Audit Report for the Year 1990-91; Fraudulent Payment-Rs.21,868**
- 18. Para No.111(8)/82-83: Page 211 read with Sr. No.18 of Audit Report for the Year**

1990-91; Fraudulent Payment-Rs.21,375

19. Para No.111(10)/82-83: Page 211 read with Sr. No.19 of Audit Report for the Year 1990-91; Fraudulent Payment-Rs.5,800

20. Para No.112(i)/82-83: Page 211 read with Sr. No.20 of Audit Report for the Year 1990-91; Non-Recovery-Rs.768,037

21. Para No.112(2)/82-83: Page 212 read with Sr. No.21 of Audit Report for the Year 1990-91; Non-Recovery-Rs.172,750

22. Para No.112(3)/82-83: Page 212 read with Sr. No.22 of Audit Report for the Year 1990-91; Non-Recovery-Rs.43,600

23. Para No.113(2)/82-83: Page 212 read with Sr. No.23 of Audit Report for the Year 1990-91; Loss to Agency-Rs.63,541

24. Para No.114(3)/82-83: Page 212 read with Sr. No.24 of Audit Report for the Year 1990-91; Non-Recovery-Rs.58,500

25. Para No.115(1)/82-83: Page 212 read with Sr. No.25 of Audit Report for the Year 1990-91; Excess Payment-Rs.274,012

26. Para No.115(2)/82-83: Page 212 read with Sr. No.26 of Audit Report for the Year 1990-91; Excess Payment-Rs.43,705

27. Para No.115(3)/82-83: Page 212 read with Sr. No.27 of Audit Report for the Year 1990-91; Excess Payment-Rs.9,958

28. Para No.116(7)/82-83: Page 212 read with Sr. No.28 of Audit Report for the Year 1990-91; Non-Recovery-Rs.1,222,458

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. The Paras (Sr. No.1 to 28 above) were **kept pending**.

Performance Audit Development of Kamaran Bara Dari Lahore

13-6-02: The Committee **pended** the said Performance Audit Report with the direction that the same shall be considered by the SDAC and its recommendations/report shall be submitted to the Assembly Secretariat by 31 October 2002 for further consideration by the PAC.

Multan Development Authority

1. Para I-1: Page 161 – Excess Payment to contractor– Executive Engineer Division No. II, M.D.A.– Rs.68,892

Audit had observed: “An extra payment of Rs.68,892 was made to a contractor on account of removal of surplus excavated earth which was not admissible as per clause (7) of the agreement because the contractor was bound to clear the site on his own. This resulted in an overpayment of Rs.68,892 to a contractor.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

2. Para I-2: Page 161 – Excess Payment to contractor– Executive Engineer Division No. IV, M.D.A.– Rs.1,003,855

Audit had observed: “According to the provision of the agreement executed in April 1983 by the Authority, the contractor was responsible to arrange bitumen from his own source and the Authority had no obligation on his account. The contractor supplied bitumen according to the provision of the agreement. He was entitled to payment of schedule rate of this item with his quoted premium of 25% above the Composite Schedule Rates 1979. The Chief Engineer, by misinterpreting the clause of the agreement, sanctioned the payment of difference between the prevailing rate of bitumen and the quoted rates of the contractor in contravention of the agreement, which resulted in an overpayment of Rs.1,003,855.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

3. Para II-1: Page 163 – Non-recovery of Government Dues– Executive Engineer Division No.VI, M.D.A.– Rs.24,850

Audit had observed: “Five Metric Ton bitumen worth Rs.24,850 was issued to a contractor during 1988 but its cost was not recovered.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

4. Para II-2: Page 163 – Non-recovery of Government Dues– Executive Engineer Division No.II, M.D.A.– Rs.66,656

Audit had observed: “Nine Metric Ton bitumen worth Rs.66,656 was issued to various contractors in September 1989 but its recovery due from them was not made by the Authority which resulted in a loss to the Authority.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

5. Para II-3: Page 163 – Non-recovery of Government Dues– Executive Engineer Division No.I M.D.A.– Rs.39,178

Audit had observed: “An amount of Rs.39,178 was recoverable from a contractor on account of secured advance paid in July 1988 but the same was not adjusted/recovered...The para was also discussed in the Departmental Accounts Committee meeting in September 1991.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

6. Para III-1: Page 164 – Loss to Government– Executive Engineer Division No.I M.D. A.– Rs.58,411

Audit had observed: “Two works were awarded to contractors in 1988 at 18.32% and

33.14% respectively above the permissible ceiling of 15% fixed by the Government in the Delegation of Powers, 1962 for acceptance of tenders. This resulted in a loss of Rs.58,411 to the Government.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

7. Para III-2: Page 164 – Loss to Government– Executive Engineer Construction Division No.I & II M.D.A.– Rs.229,825

Audit had observed: “Price variation of 873.89 ton cement was paid to contractors from 24 July 1981 instead of 1st July 1981 as provided in acceptance letters which were part of contract agreements. The irregular payments thus resulted in a loss of Rs.229,825 to the Government.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

Annexure Paras

- 1. Para No.103(3)/83-84: Page 214 read with Sr. No.1 of Audit Report for the Year 1990-91; Outstanding Recovery-Rs.31,056**
- 2. Para No.127(1)/83-84: Page 214 read with Sr. No.2 of Audit Report for the Year 1990-91; Non-Recovery of Rent-Rs.2,005,231**
- 3. Para No.128(i)/83-84: Page 214 read with Sr. No.3 of Audit Report for the Year 1990-91; Non-Recovery on Account of Cost of Plot-Rs.79,484**
- 4. Para No.163(i)/83-84: Page 214 read with Sr. No.4 of Audit Report for the Year 1990-91; Outstanding Recovery-Rs.543,013**

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and

the Finance Department. The Paras (Sr. No.1 to 4 above) were **kept pending**.

Faisalabad Development Authority Works Audit

1. Para I-1: Page 167 – Excess Payment to Contractor– Deputy Director UD.III Division– Rs.91,780

Audit had observed: “A quantity of 152967 cft on account of road crust was not deducted from the earth work of embankment which resulted in an overpayment of Rs.91,780 to a contractor in September 1990.”

13-6-02; On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

2. Para I-2: Page 167 – Excess Payment to Contractor– Deputy Director Roads, UD Wing– Rs.17,095

Audit had observed: “A quantity of 3352 cft sub-base was measured twice which resulted in an overpayment of Rs.17,095 to a contractor in July 1990.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para II-1: Page 168 – Non-Recovery of Government Dues– Deputy Director UD.III Division– Rs.126,500

Audit had observed: “An amount of Rs.126,500 recoverable from a contractor on account of damaged works was not effected from him.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para III-1: Page 169 – Loss to Government– Deputy Director UD-III– Rs.152,640

Audit had observed: “Twenty Ton Mild Steel bars worth 152,640 on which the contractor had received a secured advance was taken away by him from the site of work. This resulted in a loss of Rs.152,640 to the Authority.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

5. Para III-2: Page 169 – Loss to Government– Deputy Director Roads, UD Wing– Rs.71,084

Audit had observed: “A contractor was granted a Secured Advance of Rs.71,084 for 10385 K.G. steel. The work was stopped due to paucity of funds and the steel on which the secured advance was given was taken away by the contractor from the site of work, which resulted in a loss to the Government.”

13-6-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–

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

Annexure Paras

1. Para No.25/82-83: Page 213 read with Sr. No.1 of Audit Report for the Year 1990-91; Loss (Risk and Cost)-Rs.3,999,000

2. Para No.29/82-83: Page 213 read with Sr. No.2 of Audit Report for the Year 1990-91;

Short Recovery-Rs.66,352

3. Para No.31/82-83: Page 213 read with Sr. No.3 of Audit Report for the Year 1990-91; Non-Recovery-Rs.3,062,369

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. The Paras (Sr. No.1 to 3 above) **were kept pending.**

Industries and Mineral Development Department

Overview

Total Paras	Annexure Paras	Commercial
55	3	52

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 41	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	Commercial: 3(xiii), 3(xiv), 3(xv), 3(xvi), 3(xvii), 3(xviii), 3(xix), 3(xx), 13, 14, 72, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100,101, 102, 103, 104, 112,	41
Paras Conditionally Settled 14	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	Commercial: 15, 73, 74, 75, 105, 106, 107, 108,109, 110, 111.	11
		Annexure Paras: 44/63, 83/72-73, 8/76-77	3

Discussed on 10 & 13 June 2002

Annexure Paras

Industries and Mineral Development Department

2. Para No.44/1963 Page 299 read with Sr. No. 57 of Audit Report for the Year 1990-91; Outstanding Government Dues-Rs.14,646
3. Para No.83/1972-73 Page 299 read with Sr. No.58 of Audit Report for the Year 1990-91;

Loss Due to Wrong Placement of Contract-Rs.8,580**4. Para No.8/1976-77 Page 299 read with Sr. No.59 of Audit Report for the Year 1990-91; Loss on Account of Risk Purchase-Rs.50,250**

10-6-02: The above mentioned 3 (2 to 4) paras had already been conditionally settled/dropped by the PAC. However, **the Committee settled the paras with the direction that** the Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directives of the PAC.

Commercial Audit

- 1. Para 3 (xiii): Page 5 – Punjab Government Printing Press, Bahawalpur 1990-91**
- 2. Para 3(xiv): Page 5 – Punjab Government Printing Press, Lahore 1983-84 to 1990-91**
- 3. Para 3(xv): Page 6 – Stationery Depot, Punjab Government Press, 1990-91 Bahawalpur.**
- 4. Para 3 (xvi): Page 6 – Provincial Stationery Office, Punjab, Lahore. 1989-90 to 990-91**
- 5. Para 3 (xvii): Page 6 – Government Weaving and Finishing Centre 1987-88 to 1990-91 Shahdara, Lahore**
- 6. Para 3 (xviii): Page 6 – Government Wool Spinning and Weaving Development-1989-90 cum-Training Centre, Jhang. to 1990-91**
- 7. Para 3 (xix): Page 6 – Punjab Mineral Development Corporation, Lahore 1989-90 to 1990-91**
- 8. Para 3 (xx): Page 6– Punjab Small Industries Corporation, Lahore 1990-91**

13-6-02: The PAC noted the contents of the Audit paras and directed that the Departments should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that the accounts are compiled and submitted to Audit on time.

9. Para 13: Page 20 – Sale of Molasses at Below Contracted Price - Loss of Rs.364,000

13-6-02: The Committee **noted** the para as the Mill had been wound up.

10. Para 14: Page 20– Extra Expenditure on the Purchase of Cotton Bags - Rs.214,470

13-6-02: The Committee **noted** the para as the Mill had been wound up.

11. Para 72: Page 53 – Working Results of Government Woollen Centre, Jhang for the Years (1987-88 and 1988-89)

13-6-02: The Committee **noted** the working results.

12. Para 73: Page 54 – Interest on Capital Charges

Audit had observed: “Interest on capital was not charged during the years 1986-87 and 1988-89 for the reason that the remittances exceeded the withdrawals. This plea of the Management was not accepted by the PAC-II who in its meeting dated July 20 1992 directed the Department to charge interest on the capital worked out in accordance with the procedure laid down in para-3 of preface of Audit Report (Punjab). Thus, by not charging interest during the above years, the losses were understated to that extent. Necessity of charging interest on capital is stressed upon the Management.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

13. Para 74: Page 54 – Pilferage of stocks

Audit had observed: “Closing stocks of Rs.5,070,100 on June 30, 1989 included stock of Rs.433,167 which were stated to have been pilfered by M/s. Faqir Muhammad and Muhammad Sami. The pace of inquiry needs to be accelerated and progress reported to Audit. Internal control also needs to be tightened so that such occurrences may also not happen in future.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

14. Para 75: Page 54 – Accounts not prepared on commercial pattern

Audit had observed: “The accounts of the Centre were not prepared correctly as pointed out hereunder:-

(i) Interest on capital was not charged during the years 1986-87 and 1988-89 as pointed out above.

(ii) Trading account of the Centre has not been prepared. As such the gross profit was

not depicted in the accounts. The same was worked out by Audit by working out the cost of sales.

(iii) Different expenses viz. depreciation charges on assets, pay of establishment, sundry expenses were not bifurcated into factory overheads and operating expenses. As such the cost of sales was not arrived at correctly.”

(iv) The production account of the finished goods was not prepared.

(v) The stock in hand at the end of the years in respect of finished goods, work in progress, raw materials, goods in transit and misc. stores was grouped together and were not shown distinctly.

Necessity of correctly preparing the accounts and rectifying the above errors is stressed upon the Management.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction -**

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

15. Para 76: Page 55 – Working Results of Punjab Government Printing Press, Bahawalpur for the Years (1988-89 and 1989-90)

The Committee **noted** the working results.

16. Paras 77,78: Page 55 – Maintenance of Books of Accounts

13-6-02: The Committee **noted** the paras.

17. Para 79: Page 56 – Working Results of Stationery Depot, Punjab Government Press, Bahawalpur for the Years (1988-89 and 1989-90)

13-6-02: The Committee **noted** the working results.

18. Para 80: Page 56 – Sundry Debtors

Audit had observed: “The amount under the head “Sundry Creditors” increased to Rs.2.879 million on June 30, 1990 and Rs.1.963 million on June 30, 1989 from Rs.1.821 million on June 30, 1988. This represents the advances paid by various Provincial Government Departments to the Stationery Depot against the supply of stationery items. Neither the details were made available nor year-wise analysis was provided to Audit. Although the matter regarding clearance of the liability was repeatedly brought to the notice of the Management yet, no efforts were found to have been made to clear the outstanding dues. As the Stationery Depot is being wound up in the near future by

the Provincial Government, early action for the clearance of these dues is again stressed upon the Management.”

13-6-02: The Committee **noted** the para with the direction that the Department shall attend to the observations of the Audit in consultation with the Finance Department and take effective remedial steps.

19. Para 81: Page 56 – Accounts not maintained on commercial pattern

Audit had observed: “The books of accounts were not maintained on commercial pattern even this year. The preparation of books of accounts on commercial pattern is again stressed upon the Management.”

13-6-02: The Committee **noted** the para with the direction that the Department shall attend to the observations of the Audit in consultation with the Finance Department and take effective remedial steps.

20. Para 82: Page 57 – Working Results of Punjab Industrial Development Board, Lahore for the Year (1990-91)

13-6-02: The Committee **noted** the working results.

21. Paras 83 to 86 Pages 57 & 58 – Loss to the Board

13-6-02: The Committee **noted** the paras.

Kamalia Sugar Mills Limited, Kamalia

22. Paras 87 to 92: Pages 59 & 60 – Working Results

13-6-02: The Committee **noted** the paras as the Mill had already been wound up.

Pattoki Sugar Mills Limited, Pattoki

23. Paras 93 to 98: Pages 61 & 62 – Working Results

13-6-02: The Committee **noted** the paras as the Mill had been wound up.

Punjab Mineral Development Corporation

24. Para 15: Page 21 – Price of Silica Sand Un-Recovered - Loss of Rs.318,194

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction -**

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

25. Para 99: Page 63 – Working Results of Punjab Mineral Development Corporation for the Years (1987-88 and 1988-89)

13-6-02: The Committee **noted** the working results.

26. Paras 100 to 103: Page 64 – Finalization of Cost

The Committee **noted** the paras.

27. Para 104: Page 65 – Working Results of Punjab Small Industries Corporation for the Years (1987-88 and 1989-90)

13-6-02: The Committee **noted** the working results.

28. Para 105: Page 66 – Preparation of List of Debtors

Audit had observed: “Debtors and other receivables of Rs.144.649 million as on June 30, 1989 included Rs.9.430 million outstanding against debtors for credit sale and land recoveries. The ages of the debtors could not be ascertained as year wise statement of debtors has not been prepared by the Management. Year wise list of debtors needs to be prepared to facilitate recovery follow up from the chronic debtors.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

29. Para 106: Page 66 – Shortage of Store

Audit had observed: “Shortages of stores/stocks valuing Rs.676.619 were recoverable from the employees of various units/centres as on June 30, 1989. The shortages of stores/stocks need to be properly investigated with a view to fix responsibility on quarters concerned and loss made good.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

30. Para 107: Page 66 – Decrease in interest on loans

Audit had observed: “Interest on Government loans decreased from Rs.19.843 million in the preceding year 1988-89 to Rs.13.585 million in 1989-90. The decrease in interest expenses did not appear to be correct for the reason that Provincial Government loan had not been repaid. In fact, it had further increased to Rs.142.080 million on June 30, 1990 from Rs.123.212 million in the previous year. Therefore, the decrease in interest on Government loans needs to be substantiated with proper facts and figures.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

31. Para 108: Page 66 – Withdrawal of huge grants-in-aids

Audit had observed: “The organization received Rs.288.173 million upto June 30, 1990 on account of grant in aid from Provincial Government. In order to ascertain proper utilization of Grant in Aid; terms and conditions regulating this Grand in Aid, Schemes/Projects to which the grant in aid pertained, status of these Schemes/Projects and un-spent balance were enquired from the Management but this critical information was not produced to Audit. It also came to light that the projects/centres were not being properly monitored with regard to Provincial Government objectives while sanctioning grants in aid. The withdrawal of huge grants in aid needs to be justified project/centre wise vis-a-vis the declared objectives.”

13-6-02 On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

directive of the PAC.

32. Para 109: Page 66– Physical Verification of Stores

Audit had observed: “Physical verification of stores and stock at various Service Centres has not been carried out at the close of the year 1989-90. In the absence of physical inventories, the value of assets shown in the accounts represented book balances only. Proper physical verification of stores and stocks needs to be conducted.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

33. Para 110: Page 66 – Maintenance of proper fixed assets

Audit had observed: “Proper fixed assets register has not been maintained to establish the accuracy and reliability of book balances of assets at various service centres.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

34. Para 111: Page 66 – Preparation of Year-wise Loans Statements

Audit had observed: “Loans amounting to Rs.112.390 million and Rs.5.478 million were disbursed upto June 30, 1990 against Rural Industry Promotion Scheme (RIP) and Rural Industry Loan Fund (RILF) respectively. In the absence of overdue loan statement the pace of recovery remained unverified. The yearwise overdue loan statement needs to be prepared and overdue loans recovered.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

35. Para 112: Page 66 – Non-approval of accounts

Audit had observed: “Accounts for the year 1989-90 have not been approved by the Board.”

13-6-02: The Committee **noted** the para.

Irrigation and Power Department

Overview

Total Paras	Civil	Annexure paras	Commercial	Works
130	3	34	1	92

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 1	The para was noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	Commercial: 3(xxi)	1
Paras Finally Settled 18	Paras finally settled as the requisite action had been taken.	Civil: 13.1, 13.2 Works: I-2, I-10, I-19, I-20, I-27, I-29, I-36, I-37, I-40, I-42, I-45, I-57. Annexure: 95(2)/82-83, 95(8)/82-83, 97(5)/82-83, 98/70-71	2 12 4
Paras Conditionally Settled 82	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	Civil: 13.3. Works: I-1, I-3, I-4, I-5, I-6, I-7, I-8, I-9, I-11, I-12, I-13, I-14, I-15, I-16, I-17, I-18, I-21, I-22, I-23, I-24, I-25, I-26, I-28, I-30, I-31, I-32, I-33, I-34, I-35, I-38, I-39, I-41, I-43, I-44, I-46, I-47, I-48, I-49, I-50, I-51, I-52, I-53, I-54, I-55, I-56, I-58, I-59, I-60, II-1, II-2, II-3, II-4(i), II-4(ii), III-1, III-2, III-3, III-4, III-5, III-6, III-7, III-8, IV-1, IV-2, IV-3, IV-4, IV-5, IV-6, IV-7, IV-8, IV-9, IV-10, IV-11, IV-12, IV-13, IV-14, IV-15, V-1, V-2, VI-1, VI-2. Annexure: 95(3)/82-83.	1 80 1

Paras Pended 29	Paras pended either because the Department had not taken satisfactory action or the Department did not submit working paper.	Annexure Paras: 113(ii)/65-66, 206/67-68, 123 (1)/68-69, 11(6)/75-76, 100(8)/82-83, 52(9)/81-82, 84(3)/83-84, 84(5)/83-84, 90/72-73, 11 (14)/75-76, 96(3)/82-83, 94(4)/82-83, 86(2)/83-84, 51(2)/81-82, 97(16)/82-83, 98(2)/82-83, 50 (24)/81-82, 97(7)/82-83, 100(1)/82-83, 89(1)/83-84, 85(1)/83-84, 100(5)/82-83, 53(3)/81-82, 98 (3)/82-83, 52(14)/82-83, 95(13)/82-83, 97(2)/82-83, 11(3)/75-76, 90/83-84	29
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**Discussed on 28 March 1995, 21 April 1996, 25-26 February, 25 March 22 April 1999
and 12-13 June 2002.**

Civil Audit

1. Para 13.1 Page 148 – Expenditure on Purchase of Novel Items Without Sanction Rs.43,764

Audit had observed: “An expenditure of Rs.43,764 was incurred during 1988 by Chief Engineer Irrigation Sargodha on the purchase of air conditioner and generator without the prior approval of the Finance Department as required under S.No.3(b) of delegation of powers 1962. Local purchase was not permissible as the items pertained to the rate and running contract.”

28-3-95: After a detailed discussion the Public Accounts Committee accepted the explanation of the Department and **settled the para.**

2. Para 13.2 Page 148 – Irregular Purchase of Rs.23,070

Audit had observed: “An expenditure of Rs.23,070 was incurred by the Chief Engineer, Irrigation, Sargodha during 1988 for the purchase of typewriters. The item of expenditure was not specifically shown in the budget estimates in detail, thus local purchase should not have been made.”

28-3-95: The Department explained that the purchase typewriters were made after observing all the codal formalities and No Objection Certificate was obtained from the SGA & ID. The approval of the competent authority was also obtained. The explanation of the Department was accepted and **para was settled.**

3. Para 13.3 Page 148 – Excess Expenditure on Residential Telephone-Rs.17,861

Audit had observed: “A sum of Rs.17,861 was paid out of Govt. funds during 1980 by the Chief Engineer, Irrigation, Sargodha on account of residential telephone charges in excess of the entitlement under rule. Residential telephone charges over and above the permissible limit were required to be borne by the chief Engineer himself.”

28-3-95: Excessive expenditure of Rs.17,861 was incurred by the Chief Engineer on residential telephone. The Department explained that officer concerned who had been retired and his pension and other retiring benefits were released on submission of a bank guarantee of Rs.171,185.

The Finance Department observed that the said bank guarantee was not relevant to Punjab Government as its was in favour of the Federal Communications Secretary. The Public Accounts Committee directed that recovery may be made from the retired officer or from the office who released the pension and gratuity, within one month. The Committee also directed that both the officers should be warned that in case of non recovery within the stipulated period the criminal case would also be filed against them. The para was kept pending.

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 28 March 1995 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

Works Audit

1. Para I-1: Page 97 - Excess Payment to Contractors – Overpayment of Rs.58,193

Audit had observed: “According to the rate analysis approved by the Standing Rates Committee vide S.No.27 page 133 and S.No.29(a) page 134 of Composite Schedule of Rates, 1979 for the items of work providing and laying stone pitching ‘dry hand packed in apron’ and ‘for top layer on slope’ 135 cft and 120 cft loose stone was required to be paid against 100 cft completed item. The quantities of loose stone (72882.60 cft.) measured in stack and paid were the same as the quantities of the completed item of work (payable quantity of 55772.15 cft.) resulting in an overpayment of Rs.58,193 to contractors between May and June 1990.”

22-4-99: The Department explained that the quantities of finished work had been taken for payment of carriage of stone instead of stack measurement, resulting in less payment to the contractor for item of carriage of stone. No financial loss was caused to the Government.

The PAC directed the Department to produce the relevant record in support of

departmental explanation to Audit for verification. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 22 April 1999, **the Committee settled the para subject to the following direction–**

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

2. Para I-2: Page 97 – Excess Payment to Contractors – Overpayment of Rs.82,743

Audit had observed: “The estimate of the work technically sanctioned by the Superintending Engineer provided carriage of stone from Hills to site of work lead 40 miles (12 miles hilly + 24 miles Pucca + 4 miles Kacha) payable at Rs.147/82 per% cft. The payment to the contractor was, however, made by bifurcating the total lead into parts thereby giving him the benefit of higher rates from first to six miles every time resulting in an overpayment of Rs.82,743 in June, 1990.”

22-4-99: The Department explained that it was necessary to complete the work by bifurcation of lead and sanction was obtained from the S.E. concerned being the sanctioning Authority. Therefore, obligation to get the sanction from the competent Authority had been fulfilled. Also, no excess payment was involved.

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

3. Para I-3: Page 98 – Excess Payment to Contractors – Overpayment of Rs.36,110

Audit had observed: “The payment for carriage of stone from store to site of work was made with leads of 4000 feet, 2 mile and 5 miles against the permissible lead of 3000 feet provided in the sanctioned estimate, Bills of quantity, and agreement. This resulted in an overpayment of Rs.36,110 to a contractor in October 1990.”

22-4-99: The Department explained that quantities of stone were not lying within 3000

feet. These were carted from 4000 feet, 2 miles & 5 miles lead as per actual measurement done at site. Estimate was revised and got sanctioned from the competent Authority. The final payment was made after sanction of the revised estimate.

The PAC did not feel satisfied with the explanation and directed the Department to conduct an enquiry and report within two months. Responsibility may be fixed for making overpayment. If irregularity was proved then recovery may be made from the defaulter. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall implement the directive of the PAC dated 22 April 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para I-4: Page 98 – Excess Payment to Contractors – Overpayment of Rs.24,833

Audit had observed: “The payment for supply of 12055 cft. stone or spawl was made alongwith carriage at the rate of Rs.298.14 per %cft. although the contractor had been paid the composite rate of Rs.129.15 per % cft. for providing and laying stone or spawl and additional payment was to be made for carriage only. This resulted in an overpayment of Rs.24,833 in May 1990.”

22-4-99: The Department explained that recovery of Rs.24,833 had since been made. The PAC kept the para pending for verification of recovery by Audit.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

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

5. Para I-5: Page 98 – Excess Payment to Contractors – Overpayment of Rs.17,580

Audit had observed: “An excessive rate of Rs.282/75 for carriage of stone with lead 108 miles (Ist 3 miles hilly and last two miles kacha) was paid instead of admissible rate of Rs.279.72 in violation of Note 1 Page 1 of the Composite Schedule of Rates, 1979 which resulted in an overpayment of Rs.17,580 to a contractor.”

22-4-99: The Department explained that recovery of Rs.17,581 had since been made. The PAC **settled the para** subject to verification of recovery by Audit.

6. Para I-6: Page 99 – Excess Payment to Contractors – Overpayment of Rs.21,173

Audit had observed: “Quantity of 333080 cft. earth work undressed lead 100 feet brought from outside was paid @ Rs.105.90 % cft. for filling in diversion instead of using 964680 cft. earth obtained from cutting of earth which was available at the site of work. This resulted in an overpayment of Rs.21,173 to a contractor in September 1990.”

25-3-99: The Department explained that enquiry had been conducted and it was concluded that all the cuttings in both the cases were utilized and payment was made only for the quantity obtained from out side barrow pits. Hence no overpayment was involved.

The PAC directed that all the record in support of departmental reply may be produced to Audit for verification. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 25 March 1999, **the Committee settled the para subject to the following direction–**

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

7. Para I-7: Page 99 – Excess Payment to Contractors – Overpayment of Rs.46,330

Audit had observed: “Extra expenditure of Rs.46,330 was incurred for 80519 cft. tipping stone crates @ Rs.34.25 % cft in addition to payment for 80519 cft. dumping stone by boat @ Rs.65.95% cft. which was not admissible vide item No.16 page 132 of the Composite Schedule of Rates, 1979. This resulted in an overpayment of Rs.46,330 to a contractor in June 1989.”

25-2-99: The Department explained that rate of Rs.65/95% Cft related to supplying and dumping by boat including loading into boat within three chains lead and hire charges of boat whereas extra payment for tipping of crates was admissible vide Sr.No.16 page 132 of CSR 1979. Therefore, no excess payment was involved.

The PAC directed the Department to refer the case to Standing Rates Committee for decision as to whether tipping was included in the composite items or not. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

8. Para I-8: Excess Payment to contractor – Mailsi Syphon Division Thingi – Rs.16,511

Audit had observed: “Deduction of 10% shrinkage from the quantity of earth worked out on the basis of bank measurement as required under Note 2(a) page 25 of Composite Schedule of Rates 1979 was not made. This resulted in an overpayment of Rs.16,511 to a contractor in February 1990.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

9. Para I-9: Page 100 – Excess Payment to Contractors – Overpayment of Rs.33,995

Audit had observed: “Excess measurement of 1944 cft. Cement Concrete 1:4:8 was recorded due to excess measurement of thickness than the actual thickness executed. payment @ Rs.717.30% cft was allowed which resulted in an overpayment of Rs.33,995 to a contractor in January & April 1990.”

25-2-99: The Department explained that against the excess quantity of 1944 Cft cement concrete 1:4:8 as pointed out by Audit a quantity of 2011 Cft had been recovered from the contractor.

The PAC directed the Department to produce the relevant record to Audit for verification. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 25 February 1999, **the Committee settled the para subject to the following direction–**

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

10. Para I-10: Page 100 – Excess Payment to Contractors – Overpayment of Rs.26,050

Audit had observed: “In a work 5% shrinkage was deducted instead of 10% from earth work bank measurement in violation of Note 2(a) page 25 of the Composite Schedule of Rates, 1979, which resulted in an overpayment of Rs.26,050 in May, 1990 to a contractor.”

26-2-99: The Department explained that full amount of Rs.26,050 had been recovered and got verified by Audit.

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

11. Para I-11: Page 100 – Excess Payment to Contractors – Overpayment of Rs.44,261

Audit had observed: “Payment was made for earth work but 6% deduction on account of shrinkage was not deducted from the quantity of bank measurements as per provisions of the

agreement. This resulted in an overpayment of Rs.44,261 to a contractor upto May 1990.”

22-4-99: The Department explained that 6 % recovery where necessary had already been done. In other cases the earth work had been carried out in ordinary soil for embankment lead upto 350 feet including ploughing, mixing with blade grade or other suitable equipment and compaction with mechanical means alongwith dressing in all respects. Such nature of earth work required no deduction on account of shrinkage.

The PAC directed the Department to produce all the relevant record to Audit for verification. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 22 April 1999, **the Committee settled the para subject to the following direction–**

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

12. Para I-12: Page 101 – Excess Payment to Contractors – Overpayment of Rs.54,617

Audit had observed: “Agreements were executed with contractors for providing and laying sub-base course of pit run or bed run gravel from quarry to sites of works leads 64 miles, 67 miles and 73 miles payable at the rates provided vide item Nos. 3(a)(i), 3(b) at pages 147-148 and S.No.1 page 2 of Composite Schedule of Rates, 1979 plus tendered premium. The payments for carriage of gravel were, however, made without reducing the carriage rates for the first three miles as required vide Note 1 against S.No. 3(b) page 148 of Composite Schedule of Rates, 1979. This resulted in an overpayment of Rs.54,617 to the contractors in November 1989.”

22-4-99: The Department explained that only road mileage had been paid to the contractor and three miles of hilly area had not been included in the mileage worked out for payment. Therefore, no overpayment was involved.

The PAC directed the Department to produce the relevant record to Audit for verification and the para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 22 April 1999, **the Committee settled the para subject to the following direction–**

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

13. Para I-13: Page 101 – Excess Payment to Contractors – Overpayment of Rs.134,857

Audit had observed: “According to the rate analysis approved by the standing Rates Committee vide item No.15(a) page 132 of Composite Schedule of Rates 1979 for the item of work “supply and dumping stone without boat” 110 cft loose stone was to be paid for 100 cft completed item. The loose stone was measured as 499,478 cft. The measurement of the completed item of work according to the approved formula should have been 454070 cft but the quantity of the completed item was taken equal to the loose quantity which resulted in an overpayment of Rs.134,857 to a contractor in July 1990.”

26-2-99: The Department explained that when stone is dumped (not properly hand packed) whether in wire crate or otherwise voids cannot be provided. Thus quantity of stone measured outside would be the same after dumping i.e. 100 CFT would be 100 CFT after dumping. Therefore, measurement in this case was correctly made and paid for.

The PAC was not satisfied with the explanation and therefore, directed that enquiry may be conducted and responsibility be fixed for the incorrect measurement. The overpaid amount may be recovered from the defaulter after due process. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

14. Para I-14: Page 102 – Excess Payment to Contractors – Overpayment of Rs.28,333

Audit had observed: “According to the rate analysis approved by the Standing Rates Committee vide item No.27 page 133 of Composite Schedule of Rates, 1979 for the item of work for providing and laying stone apron hand packed filling 135 cft. loose stone was required to make a payment for 100 cft completed item. The loose stone was measured as 29359 cft. The measurement of the completed item of work according to above formula should have been 21747 cft. but the quantity of the completed item was taken equal to the loose quantity of 29359 cft which resulted in an overpayment of Rs.28,333 in July 1990 to a contractor.”

26-2-99: The Department explained that the case had been referred to the Standing Rates Committee for clarification and the decision was awaited.

The PAC directed the Department to pursue the case and get it finalized from the Standing Rates Committee. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

15. Para I-15: Page 102 – Excess Payment to Contractors – Overpayment of Rs.19,105

Audit had observed: “Incorrect rates of Rs.442/80 % 0 cft, Rs.308/80 %O cft and Rs.240 %O cft were paid instead of the correct rates of Rs.404/95 %O cft, Rs.270/95 %O cft, Rs.287/95 %O cft and Rs.202/95 %O cft respectively vide item No.1(b) page 25, item No. 18(b) page 31 and item No. 17 page 30 of Composite Schedule of Rates, 1979 for earth work excavation which resulted in an overpayment of Rs.19,105 in March, 1990 to September, 1990 to the contractor.

26-2-99: The Department explained that rates paid by the Department were quite in

conformity with those mentioned in the composite schedule of rates 1979. Therefore, there was no overpayment involved.

Audit apprised the PAC that at the time of local Audit the Department had admitted the overpayment and had promised for effecting recovery.

The PAC **settled the para** subject to disciplinary action against the officer who admitted the recovery at the time of local Audit.

16. Para I-16: Page 102 – Excess Payment to Contractors – Overpayment of Rs.47,543

Audit had observed: “The payment was made for earth work excavation from outside borrow pits with a lead of 3 miles against 2 miles lead provided in the Bills of Quantities and approved estimate. The payment beyond the approved lead resulted in an overpayment of Rs.47,543 to contractors in July and August 1990.”

22-4-99: The Department explained that PC-I wherein the lead of two miles was mentioned, just gave the broad outlines of the scope of work. The payments were made on the basis of detailed estimate and drawings technically sanctioned by the Competent Authority. The estimate of this work was inclusive of the three miles lead and accordingly the same was executed and paid. Therefore, no excess payment was involved.

Audit apprised the PAC that Technically Sanctioned Estimate was issued after the award of contract which was in violation of Delegation of Financial Rules.

The PAC directed the Department that the overpaid amount may be recovered from the contractor and if that was not possible the Department may consider to recover the same from the officer responsible for the loss. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 22 April 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

17. Para I-17: Page 103 – Excess Payment to Contractors – Overpayment of Rs.12,822

Audit had observed: “The payment for stone pitching on slope and top of bund was made at the rate of Rs.296/15 per % cft instead of the permissible rate of Rs.267/55 per % cft for pitching on slope on top (level) as per item No. 29 & 30, page 134 of the Composite Rates, 1979. This resulted in an overpayment of Rs.12,822 to two contractors in June, 1990.”

22-4-99: The Department apprised the PAC that full recovery of Rs.12,822 had been made.

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

18 Para I-18: Page 103 – Excess Payment to Contractors – Overpayment of Rs.33,960

Audit had observed: “Shrinkage of earth from 3% to 7% was deducted instead of 10% from earth work bank measurement as required vide Note2(a), page 25 of Composite Schedule of Rates, 1979. The less deduction resulted in an overpayment of Rs.33,960 from November, 1989 to November 1990 to a contractor.”

26-2-99: The Department explained that a sum of Rs.29,357 had already been recovered and got verified by Audit. The balance recovery of Rs.4,603 had also been effected.

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

19. Para I-19: Pages 103-104 – Excess Payment to Contractors – Overpayment of Rs.28,222

Audit had observed: “Payment for excavation of earth for restoration of a spur was incorrectly made at the rate of excavation of earth for foundation of building instead of borrow pit excavation undressed lead 100 feet vide item 4(a) pages 26 of the Composite Schedule of Rates, 1979. The incorrect application of rate of resulted in an overpayment of Rs.28,222 to a contractor in August, 1989.”

22-4-99: The Department explained that in the first instance the contractor was paid @ Rs.163/35 for excavation in foundation of building and other structure. Subsequently the rate was reduced to Rs.133/25. Thus the overpayment of Rs.12,883 had been recovered from the

contractor.

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

20. Para I-20: Page 104 – Excess Payment to Contractors – Overpayment of Rs.55,062

Audit had observed: “A contractor was paid for 31221 cft of providing and laying stone pitching dry hand packed on slope. The sub-grade of 19452 cft stone was also laid under 31221 Cft stone pitching and paid @ Rs.296/15 % Cft instead of admissible rate of Rs.129/15% Cft Vide ItemNo.30 (b) page 134 of Composite Schedule of Rates, 1979. This resulted in an overpayment of Rs.55,062 in September, 1990 to the Contractor.”

26-2-99: The Department explained that necessary record had been got verified by Audit. The PAC accepted the explanation and **settled the para.**

21. Para I-21: Page 104 – Excess Payment to Contractors – Overpayment of Rs.136,927

Audit had observed: “From bank measurements of earth work 6% shrinkage was deducted instead of 10%. This resulted in an overpayment of Rs.136,927 between August and November 1989 to contractors.”

25-2-99: The Department explained that according to the provisions of CSR 1979 at page 25 the shrinkage from the bank measurement was to be made from 3% to 6% when the earth work was to be done by machines. As such shrinkage measurement was made at 6% as the earth work was got done by machine. Therefore, no overpayment was involved.

The PAC directed the Department to produce the relevant record to Audit for verification and the para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 25 February 1999, **the Committee settled the para subject to the following direction–**

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

22. Para I-22: Page 104- Excess Payment to Contractors-Overpayment of Rs.47,739

Audit had observed: “Quantity of 2306970 Cft earth work on bank was measured but 10% shrinkage was not deducted. This resulted in an overpayment of Rs.47,739 to contractors between July and December, 1990.”

25-2-99: The Department explained that this para was consisted of 2 parts. In part-I recovery of Rs.20,807 was involved which had since been effected from the contractor concerned. In the second part the recovery of Rs.26,932 had been pointed out by Audit. According to the factual position the road sites and distributory was diverted to avoid the suspension of traffic during the execution of work for which 263920 Cft earth was brought from distance of 4 miles which could not be got done by mechanical means. Compaction was also done. Therefore, recovery at 5% of the earth work amounting to Rs.13,467 had been made and as such there was no excess payment involved.

The PAC directed that balance recovery of Rs.13,467 may be got verified by Audit. **The para was settled** subject to verification of stated recovery.

23. Para I-23: Page 105 – Excess Payment to Contractors – Overpayment of Rs.117,452

Audit had observed: “Rates of Rs.21.05 was paid for the item of Reinforced Cement Concrete in transom slab instead of admissible rate of Rs.15.70 per Cft. vide Item No.5(a)(ii)(3) page 53 of the Composite Schedule of Rates, 1979, which resulted in an overpayment of Rs.117,452 in January and December 1990 to contractors.”

25-2-99: The Department explained that matter had been referred to the concerned Deputy

Commissioners to effect the recovery as arrears of land revenues. Anyhow, no recovery had been effected so far.

The PAC directed the Department to make good the overpaid amount within three months and the para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

24. Para I-24: Page 105 – Excess Payment to Contractors – Overpayment of Rs.35,121

Audit had observed: “Premium for earth work @ 55% on Composite Schedule of Rates, 1979 was paid instead of @ 50%. This resulted in an overpayment of Rs.35,121 to a contractor in April 1990.”

25-2-99: The Department explained that overpaid amount had been adjusted in the final bill of the contractor.

The PAC directed that stated adjustment may be got verified by Audit by producing all the relevant record to Audit. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 25 February 1999, **the Committee settled the para subject to the following direction–**

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

25. Para I-25: Pages 105 and 106 – Excess Payment to Contractors – Overpayment of Rs.86,936

Audit had observed: “According to the analysis of rates for the item of work “Dumping stone by boat” filling stone in wire crates 110 cft loose stone was required for 100 cft completed item. For Stone filling dry hand packed in apron 135 cft loose stone was required for 100 cft completed item. For item of work “laying stone pitching on slope” 120 cft loose stone was required for 100 cft completed item. Loose stone was measured for 750017 cft. The measurements of the completed items of work according to above formula should have ben 655676 cft but the quantity of the completed items was taken equal to the loose quantity which resulted in an overpayment of Rs.86,936 to contractors between October 1989 to July 1990.”

25-3-99: The Department explained that audit observation was not based on correct assumption that a quantity of 110 Cft loose stone was required for 100 Cft complete item. As per specification No. 7-1(8) of Schedule of Rates it had clearly been specified that stone would be measured in bulk and units of measurement would be 100 CFT. Therefore, there was no overpayment involved.

The PAC directed the Department to refer the case to the Standing Rates Committee for decision. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 March 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

26. Para I-26: Page 106 – Excess Payment to Contractors – Overpayment of Rs.313,665

Audit had observed: “According to analysis of rate for the item of work “Stone filling in wire crates” 110 cft loose stone was required for 100 cft completed item. Loose stone was measured for 286097 cft. According to above formula the quantity of the stone filled in wire crates should have been 268087 cft but the completed quantity was taken equal to the loose quantity. Therefore the quantity of the 26010 cft stone filled in the wire crates was measured in excess. Thus the area of the wire crates of 26010 cft stone worked out to 69358 cft (12 cft stone in a wire crate of 32 cft) and overpayment of Rs.313,665 was made between October 1989 and July 1990 to the contractors.”

25-3-99: The Department explained that audit observation was not based on correct assumption that a quantity of 110 Cft loose stone would be required for 100 Cft complete item. As per specification No. 7-1(8) of Schedule of Rates it had clearly been specified that stone would be measured in bulk and units of measurement would be 100 Cft. Therefore, there was no overpayment involved.

The PAC directed the Department to refer the case to the Standing Rates Committee for decision. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 March 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

27. Para I-27: Pages 106 and 107 – Excess Payment to Contractors – Overpayment of Rs.22,315

Audit had observed: “According to the rate analysis approved by the Standing Rates Committee vide item No.29(a) page 134 of the Composite Schedule of Rates, 1979 for the item of work “providing and laying stone pitching for top layer” 120 cft. Loose stone was required to made a payment for 100 cft completed item. The measurement of the completed item of the work according to the above formula measurement of the completed item of the work according to the above formula should have therefore, been 16745 Cft. But the quantity of the completed item was taken equal to the loose quantity 24130 Cft. Which resulted in an overpayment of Rs.22,315 in September 1990 to a contractor.”

25-3-99: The Department explained that whole the amount of Rs.22,300 had been recovered and got verified by Audit.

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

28. Para I-28: Page 107 – Excess Payment to Contractors – Overpayment of Rs.265,832

Audit had observed: “A contractor was paid for 69432 Cft supplying and filling stone in wire crates @ Rs.199.65% Cft and 50606 Cft and dumping stone by boat @ Rs.65.95% Cft respectively. The excess measurement of 18826 Cft stone filled in wire crates resulted in an excess measurement of the area of 49575 Cft wire crates (One crate of 39.5 cft to hole 15 Cft stone) leading to an overpayment of Rs.265,832 in September 1990.”

26-2-99: The Department explained that the work was got executed according to the contractual provisions and no overpayment was involved. The record had been provided to Audit for verification but the date for the verification had not so far been fixed.

The PAC directed that a fact finding enquiry may be conducted by the Additional Secretary, Irrigation and Power Department to ascertain the factual position. The enquiry report may be provided to Audit for examination.

The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

29. Para I-29: Page 107 – Excess Payment to Contractors – Overpayment of Rs.25,330

Audit had observed: The length of stone dumping by boat in wire crates in reaches between Reduced Distance 75 to 195 was taken as 150 feet instead of 120 feet. Extra length of 30 feet (150-120) resulted in an overpayment of Rs.25,330 to a contractor in September 1990.”

26-2-99: The Department explained that the work was got executed according to the contractual provisions and payment was correctly made and no overpayment was involved. The position had also been verified by Audit.

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

30. Para I-30: Page 107 – Small Dams Division Islamabad – Rs.43,663

Audit had observed: “The Department paid rates of Rs.3,900%0 cft and Rs.4,650 %0 cft instead of the permissible rates of Rs.1,755%0 cft and Rs.3,900 % 0 cft respectively as per item 4(i & II) page 180 of Composite Schedule of Rates, 1979 for wet sinking of well in cohesive soil which resulted in an overpayment of Rs.43,663 in November 1990 to the contractor.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

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

31. Para I-31: Page 108– Excess Payment to Contractor – Small Dams Division Islamabad – Rs.129,885

Audit had observed: “Rate of Rs.34 per cft. instead of Rs.25.36 per cft. which had been approved by the Chief Engineer, was paid for 15033 cft Reinforced cement concrete 1:2:4 in slab of raft strip foundation which resulted in an overpayment of Rs.129,885 in September 1989 to the contractor.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

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

32. Para I-32: Page 108 – Excess Payment to Contractor – Small Dams Division Islamabad – Rs.169,091

Audit had observed: “According to the rate analysis for the item of work “Random Rubble masonry 1:4 cement sand mortar in foundation and plinth and in ground floor” vide item No.I(d)(ii) page 73 and item No.3(d)(ii) page 74 of Composite Schedule of Rates, 1979, 117 cft loose stone was required for 100 cft completed item. Quantity of 67430 cft loose stone was measured. According to above formula, the measurement of the completed item should, therefore, have been 57632 cft but the completed item was measured equal to the loose quantity of 67430 cft which resulted in an overpayment of Rs.169,091 in September 1990 to a contractor.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

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

33. Para I-33: Page 108 – Excess Payment to Contractor – Small Dams Division Islamabad – Rs.110,460

Audit had observed: “According to the rate analysis for the item of work “Coursed Rubble Masonry 1:4 cement and mortar in foundation and plinth and in ground floor” vide item No.2(d)(ii) page 73 & item No.4(d)(ii) page 74 of Composite Schedule of Rates, 1979, 130 cft loose stone was required for 100 cft completed item. Quantity of 25752 cft loose stone was measured. According to the approved formula, the measurement of the completed item should, therefore, have been 19808 cft but the completed item was taken equal to the loose quantity of 25752 cft which resulted in an overpayment of Rs.110,460 in December 1990 to a contractor.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

34. Para I-34: Page 109 – Excess Payment to Contractors – Overpayment of Rs.157,177

Audit had observed: “Payment of 485785 cft earth work excavation from outside barrow pits with leads of 300, 400 and 13500 feet was paid whereas in the Bills of quantities, agreement and sanctioned estimate for the lead of 250 feet only was provided. The excessive lead paid to a contractor resulted in an overpayment of Rs.157,177 to him in June 1990.”

25-3-99: The Department explained that the payment was made to the contractor in accordance with the provision made in the revised estimate sanctioned by the Chief Engineer.

The PAC directed the Department to probe into the matter as to why the lead was enhanced from 250 feet to 300, 400 and 13500 feet and whether the enhancement in lead was justified or not. Report in this regard may be submitted to PAC within two months. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

35. Para I-35: Page 109 – Excess Payment to Contractors – Overpayment of Rs.99,274

Audit had observed: “Thickness of brick lining was measured for 0.40 feet instead of 0.375 feet. This resulted in an overpayment of Rs.99,274 to contractors in April 1990 to September 1990.”

25-3-99: In view of the Audit comments, the PAC was not convinced with the explanation of the Department and directed the Department to recover the overpaid amount without further loss of time. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 March 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

36. Para I-36: Page 110 – Excess Payment to Contractors – Overpayment of Rs.17,927

Audit had observed: “Quantity of 367680 Cft. Earth work bank measurement was made from which 36768 Cft. Earth for 10% shrinkage was not deducted as per Note. 2(a) page 25 of the Composite Schedule of Rates, 1979. This resulted in an overpayment of Rs.17,927 to a contractor in December 1990.”

25-3-99: The Department explained that full recovery of Rs.17,927 had been made from the contractor and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

37. Para I-37: Page 110 – Excess Payment to Contractors – Overpayment of Rs.11,567

Audit had observed: “On item of earth work, premium @ 154 % above Composite Schedule of Rates, 1979 applicable to Pacca Work was paid. As the item of work did not fall

within the provision of Pacca Work. Premium should have been paid @ 70% above Composite Schedule of Rates 1979. This resulted in an overpayment of Rs.11,567 to a contractor in November, 1990.”

25-3-99: The Department explained that recovery of Rs.11,567 had since been made good from the contractor and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

38. Para I-38: Page 110 – Excess Payment to Contractors – Overpayment of Rs.72,802

Audit had observed: “For earth work excavation, providing and laying stone pitching dry hand packed, measurements were made for a circular portion of a spur instead of semi-circular portion. This resulted in an overpayment of Rs.72,802 to a contractor in September 1990.”

25-3- 99: The Department explained that the area had been calculated as semi-circular. The Audit had miscalculated the area as circular.

The Department was directed to produce the relevant record including Administrative Approval and estimate to Audit for verification and the para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 25 March 1999, **the Committee settled the para subject to the following direction–**

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

39. Para I-39: Page 111 – Excess Payment to Contractors – Overpayment of Rs.15,176

Audit had observed: “The amount of premium on work done was calculated incorrectly which resulted in an overpayment of Rs.15,176 to a contractor in September 1990.”

25-3-99: The Department explained that recovery of Rs.15,176 had been effected from the contractor out of which a sum of Rs.7,186 had not been accepted by Audit. Hence the balance recovery was left by Rs.7,186.

The PAC kept the para pending for balance recovery and disciplinary action against the defaulters responsible for incorrect calculation of premium.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 March 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

40. Para I-40: Page 111 – Excess Payment to Contractors – Overpayment of Rs.15,926

Audit had observed: “ Shrinkage of earth from the bank measurement was deducted @ 4% instead of 6% as required under note 2(b) page 25 of Composite Schedule of Rates, 1979. This resulted in an overpayment of Rs.15,926 in June, 1985 to a contractor.”

22-4-99: The Department explained that when the earth work was done by machinery the deduction of settlement from bank measurement ranged between 3 % to 6 %. In this case the deduction was arranged at the rate of 4 % which was quite correct. Thus there was no overpayment involved. The PAC accepted the explanation **and the para was settled.**

41. Para I-41: Page 111 – Excess Payment to Contractors – Overpayment of Rs.90,081

Audit had observed: “According to the rate analysis approved by the Standing Rates Committee vide item No.27, page 133 of the Composite Schedule of Rates 1979 for the item of work “providing and laying stone apron hand packed filling” 135 cft loose stone was required to make payment for 100 cft completed item. Loose stone was measured for 85779 cft. The measurement of the completed item of the work according to the above formula should have, therefore, been 63540 cft but the quantity of the completed item was taken equal to the loose quantity of 85779 cft which resulted in an overpayment of Rs.90,081 in May 1990 to a contractor.”

25-3-99: The Department explained that a departmental enquiry was under way.

The PAC directed the Department to complete the enquiry within two months and to take further action according to the findings of enquiry. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

42. Para 1-42: Page 112 – Excess Payment to Contractors – Overpayment of Rs.17,077

Audit had observed: “Payment of extra carriage of brush wood was made at higher rates than the rate admissible vide serial No.13, page 7 of the Composite Schedule of Rates, 1979. This resulted in an overpayment of Rs.17,077 to a contractor in October, 1990.”

25-3-99: The Department explained that full amount of Rs.17,077 had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

43. Para I-43: Page 112 – Excess Payment to Contractors – Overpayment of Rs.989,478

Audit had observed: “According to the rate analysis approved by the Standing Rates Committee vide item No.27, page 133 of the Composite Schedule of Rates, 1979 for the item of work, “providing and laying stone pitching dry hand packed in aprons”, 135 cft loose stone was required for making payment for 100 cft completed item. Loose stone was measured for 1025360 cft. The measurement of the completed item of the stone according to the approved formula should have been 759525 cft but the quantity of the completed item was taken equal to the loss quantity of 1025360 cft which resulted in an overpayment of Rs.989,478 in October 1990 to a contractor.”

22-4-99: The Department explained that the item of work “providing and filling stone dry

hand packed in apron” was executed. The quantity carted was same as of the finished item, which should have been 25 % more as per rate analysis forming the basis of composite rate. The work had been subjected to intensive checking and verification by project consultant (M/S NESPAK). Therefore, there was no chance of overpayment.

The PAC kept the para pending and directed the Department to produce the relevant record to Audit for verification.

13-6-02: Reiterating the decision of the PAC dated 22 April 1999, **the Committee settled the para subject to the following direction–**

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

44. Para I-44: Page 112 – Excess Payment to Contractors – Overpayment of Rs.28,151

Audit had observed: “Payment for brick lining of canals was made by recording measurements of thickness of bricks as 0.38 feet instead of the actual thickness of 0.375 feet. The excessive measurement of thickness resulted in an over payment of Rs.28,151 to contractors in March, 1991.”

25-3-99: The Department explained that total recovery had since been realized from the contractor concerned. The PAC **settled the para** subject to verification of recovery by Audit within one month.

45. Para I-45: Page 113 – Excess Payment to Contractors – Overpayment of Rs.20,540

Audit had observed: :Rate of Rs.1230/50 % Cft for Cement Concrete 1:3:6 in wells was paid instead of the admissible rate of Rs.967/40% Cft vide item No.3(a) and 16 page 51 & 56 of the Composite Schedule of Rates, 1979. This resulted in an overpayment of Rs.20,540 to a contractor in April, 1991.”

25-3-99: The Department explained that recovery of Rs.20,540 had since been made and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

46. Para I-46: Page 113 – Excess Payment to Contractors – Overpayment of Rs.23,516

Audit had observed: “Rate of Rs.21.05 per cft for Reinforced Cement Concrete 1:2:4 in transom slab was paid instead of the admissible rate of Rs.15.70 per cft vide item No.5(a)(ii)(3) page 53 of the Composite Schedule of Rates, 1979. This resulted in an overpayment of Rs.23,516 to a contractor in April 1991.”

25-3-99: The Department explained that recovery of Rs.23,516 had since been adjusted against the payment and security of the contractor concerned.

The PAC directed the Department to produce the relevant record including T.S. Estimate and form P.W.A.-27 to Audit for verification. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 25 March 1999, **the Committee settled the para subject to the following direction–**

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

47. Para I-47: Page 113 – Excess Payment to Contractors – Overpayment of Rs.42,342

Audit had observed: “According to the rate analysis approved by the Standing Rates Committee vide item No.15(a), page 132 of the Composite Schedule of Rates, 1979 for the item work “Dumping stone without boat” 110 cft. loose stone was required for making payment for 100 cft completed item. Loose stone was measured as 1033869 cft. The measurement of the completed item of stone according to the approved formula should have been 939880 cft. but the quantity of the completed item was taken equal to the loose quantity of 1033869 cft. which resulted in an overpayment of Rs.42,342 in June 1990 to a contractor.”

26-2-99: The Department explained that the case had been referred to the Standing Rates Committee for clarification and the decision was awaited.

The PAC directed the Department to pursue the case and get it finalized from the Standing Rates Committee. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

48. Para I-48: Page 114 – Excess Payment to Contractors – Overpayment of Rs.34,854

Audit had observed: “According to the rate analysis approved by the Standing Rate Committee vide item No.19(i), page 132 of the Composite Schedule of Rates 1979 for the item of work “supply and filling stone in wire crates” 100 cft completed stone was required to be paid for 110 cft loose stone. The loose stone was measured as 490398 cft. The measurement of the completed item of work was not taken according to the approved formula, which resulted in an overpayment of Rs.34,854 in August 1990 to a contractor.”

26-2-99: The Department explained that the case had been referred to the Standing Rates Committee for clarification and the decision was awaited.

The PAC directed the Department to pursue the case and get it finalized from the Standing Rates Committee. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1999 by 31

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

49. Para I-49: Page 114 – Excess Payment to Contractors – Overpayment of Rs.326,323

Audit had observed: “Excessive lead was paid than the actual lead for carriage of pitching stone from Sikhanwali quarry to Kot Nainan. This resulted in an overpayment of Rs.326,323 to contractors between November 1989 and December 1990.”

25-2-99: The Department explained that enquiry was being conducted and further action would be taken after finalization of enquiry.

The PAC directed the Department to complete enquiry within three months and fix responsibility for excess payment. Recovery may be effected from the defaulter if proved. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

50. Para I-50: Page 115 – Excess Payment to Contractors – Overpayment of Rs.100,813

Audit had observed: “Recarriage of stone was paid just to give an undue benefit to a contractor which resulted in an overpayment of Rs.100,813 to him in August 1990.”

25-2-99: The Department explained that stone was carried from Kot Naina to stack yard of spur No. 8 in the first instance and then the same was carried to the actual site of work as its

carriage from Kot Naina to actual site of work was not practicable.

The PAC was not satisfied with the explanation as in most of the cases the carriage and re-carriage was done on the same day. therefore, the PAC directed the Department to conduct enquiry and fix responsibility for excess payment. Excess paid amount may be recovered from the defaulters. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

51. Para I-51: Page 115 – Excess Payment to Contractors –Overpayment of Rs.13,737

Audit had observed: “According to rate analysis of the Standing Rates Committee for the item No.15(a), page 132 of the Composite Schedule of Rates 1979 regarding dumping stone without boat, 110 cft loose stone was required for 100 cft completed item. A quantity of 345582 cft stone was paid for the quantity measured in stack. As per above formula 314165 cft was required to be paid for dumping of stone instead of 345582. The excessive measurement of 31417 cft resulted in an overpayment of Rs.13,737.”

25-2-99: The Department explained that dumping of stone was done under water which was not packed. The formula that 100 Cft dumping stone would be equal to 110 Cft loose stone as pointed out by Audit was applicable in case when the stone was dumped in packed shape and as such there was no excess payment involved.

The PAC directed the Department to refer the case to the Standing Rates Committee for clarification in the matter and the para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

52. Para I-52: Page 115 – Excess Payment to Contractors – Overpayment of Rs.238,091

Audit had observed: “According to the rate analysis of the Standing Rates Committee vide item No.19(i), page 132 of the Composite Schedule of Rates 1979 regarding supplying and filling stone in wire crates 110 cft. loose stone was required for 100 cft completed item. A quantity of 1853271 cft supplying and filling stone in wire crates was measured and paid. Whereas according to the above formula 1684817 cft stone was required to be paid. The excessive measurement of the stone resulted in an overpayment of Rs.238,091 to contractors.”

25-2-99: The Department explained that payment had been made according to the provision made in the T.S. Estimate. Trangars had been used to hold stones where it was not possible to follow the formula of 110 Cft loose stone equal 100 Cft packed stone.

The PAC directed the Department to refer the case to the Standing Rates Committee for decision and the para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

53. Para I-53: Page 116 – Excess Payment to Contractors –Overpayment of Rs.997,272

Audit had observed: “Rehandling of 11771397 cft earthwork was not provided in the original estimate. It was paid by making provision in the revised estimated which was not admissible vide specification No.17.1(a) serial No.20(b). This resulted in an overpayment of Rs.997,272 to the contractor in February 1990.”

25-2-99: The Department explained that estimate was revised on the work done basis. Anyhow, an enquiry was being conducted and further action would be taken on finalization of enquiry. The Department also apprised the PAC that case had not been referred to the Standing Rates Committee.

The PAC directed the Department to refer the case to the Standing Rate Committee

forthwith and got it finalized within one month. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

54. Para I-54: Page 116 – Excess Payment to Contractors – Overpayment of Rs.31,785

Audit had observed: “According to the rate analysis approved by the Standing Rates Committee vide items No.19(i), 16(a) and 15(a), page 132 of the Composite Schedule of Rates 1979 for the item of work “filling stone in wire crates (Dumping stone by boat and dumping stone without boat)” 110 cft loose stone was required for making payment for 100 cft completed item. For the item of work stone filling dry hand packed in Apron” 135 cft loose stone was required to be paid for 100 cft completed item vide item No.27, page 133 of the Composite Schedule of Rates 1979. Loose stone was measured as 269996 cft. The measurements of the completed items of work according to the approved formula should therefore, have been 242433 cft. but the quantity of the completed item was taken equal to the loose quantity, which resulted in an overpayment of Rs.31,785 to contractors.”

26-2-99: The Department explained that the case had been referred to the Standing Rates Committee for clarification and the decision was awaited.

The PAC directed the Department to pursue the case and get it finalized from the Standing Rates Committee. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

55. Para I-55: Page 117 – Excess Payment to Contractors – Overpayment of Rs.17,502

Audit had observed: “According to the rate analysis approved by the Standing Rates Committee vide item No.15(a), page 132 of the Composite Schedule of Rates, 1979 for the item of work “supplying and dumping stone without boat” 110 cft loose stone was required for making payment for 100 cft completed item. Loose stone was measured as 392694 cft. Thus the measurement of the completed item of work according to the approved formula should have been 356994 cft but the quantity of the completed item was taken equal to the loose quantity of 392694 cft which resulted in an overpayment of Rs.17,502 to a contractor in June 1990.”

26-2-99: The Department explained that the case had been referred to the Standing Rates Committee for clarification and the decision was awaited.

The PAC directed the Department to pursue the case and get it finalized from the Standing Rates Committee. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

56. Para I-56: Page 117 – Excess Payment to Contractors – Overpayment of Rs.21,890

Audit had observed: “Excessive rates were paid than the admissible rates of the Composite Schedule of Rates, 1979 for earth work excavation which resulted in an overpayment of Rs.21,890 from February, 1989 to March, 1990.”

26-2-99: The Department explained that rates paid by the Department were quite in conformity with those mentioned in the composite schedule of rates 1979. Therefore, there was no overpayment involved.

Audit apprised the PAC that at the time of local Audit the Department had admitted the overpayment and had promised for effecting recovery.

The PAC **settled the para** subject to disciplinary action against the officer who admitted the recovery at the time of local Audit.

57. Para I-57: Page 117 – Excess Payment to Contractors – Overpayment of Rs.18,245

Audit had observed: “A quantity of 115030 cft earth was available at site received from the excavation of slopes and toe of shank of a spur but this earth was not utilized in the restoration of the shank and a contractor was paid for 21065 cft earth from outside borrow pits with a lead of 3.5 miles although no provision for outside earth existed in the Bill of Quantities and agreement. Not-utilization of the available earth and deviation for the agreement, thus, resulted in an overpayment of Rs.18,245 to a contractor in June, 1990.”

22-4-99: The Department explained that no earth was available at site and therefore earth was brought in from out side. Provision for this was made in the Technically sanctioned estimate.

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

58. Para I-58: Page 118 – Excess Payment to Contractors – Overpayment of Rs.124,726

Audit had observed: “Payment for constructing earth embankment of a bund was made by over measuring of basement and depths in various reaches with the result that these measurements were not commensurate with the side slopes of the bund and its top and bottom widths recorded in the Measurement Books. Consequently an overpayment of Rs.124,726 was made to two contractors in June 1990.”

22-4-99: The Department explained that the work of Fakhar Flood Bud was executed along right edge of River Indus in close proximity of the river creek where the Natural Surface Level was un-even. The detailed record entries had been made correctly with due regard to shrinkage/consolidation allowance as per specification of earth work. The work was executed by machines and 4% consolidation/shrinkage allowance was deducted from the overall earth work.

The PAC directed the Department to produce all the relevant record to Audit for verification. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 22 April 1999, the Committee settled the para subject to the following direction–

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

59. Para I-59: Page 118 – Excess Payment to Contractors – Overpayment of Rs.60,775

Audit had observed: “A quantity of 1700174 cft. undressed earth was measured form embankment. But subsequently the same quantity was paid as compacted earth without deducting 10% shrinkage. This resulted in an overpayment of Rs.60,775 to a contractor in December 1990.”

25-3-99: The Department explained that an enquiry had been conducted and no overpayment had been found.

The PAC directed the Department that all the relevant record alongwith enquiry report may be produced to Audit for verification of facts. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 25 March 1999, the Committee settled the para subject to the following direction–

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

60. Para I-60: Page 119 – Excess Payment to Contractors – Overpayment of Rs.145,770

Audit had observed: “A contractor was paid for 132206 Cft quantity tipping of stone. The same quantity was again measured and paid for dumping by boat separately. This resulted in

an overpayment of Rs.145,770 to a contractor in June 1990.”

22-4-99: The Department explained that the rate of tipping crates (in addition to anchoring boats) was an “Extra” rate which had to be paid over and above the base rate of dumping. All other “Extra” rates were paid in addition to base rate and therefore there should be no discrimination for this item of work.

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

61. Para II-1: Page 120 – Non-Recovery of Government Dues – Rs.20,964

Audit had observed: “Tool and Plant Articles worth Rs.20,964 were found short at the time of handing/taking over charge during November 1988. No inquiry was held to fix responsibility for the shortage.”

25-2-99: The Department explained that enquiry had been conducted and it was concluded that actual recoverable amount was Rs.12,014. The said amount was recoverable from M/s. Amir Mukhtar Hussain Shah Sub Engineer Rs.2,581, Muhammad Mumtaz Sub Engineer-Rs.8,133 and Abdul Latif Sub Engineer-Rs.1300. Rs.2,581 had been recovered from Mr. Amir Mukhtar Shah and verified by Audit. Mr. Mumtaz had since been expired and Mr. Abdul Latif had been transferred to other Division. The recovery of Rs.1,300 was shown in his L.P.C.

The PAC directed the Department to reconcile the difference of recoverable amount of Rs.8,950 and balance recovery may be made good without further delay. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

62. Para II-2: Page 120 – Non-Recovery of Government Dues – Rs.2,339,000

Audit had observed: “Water was supplied to a cement factory between January, 19981 to December 1990 but water charges amounting to Rs.23,39 lacs were not recovered.

22-4-99: The Department explained that recovery of Rs.2,649,202 had been made. The PAC **settled the para** subject to verification of recovery by Audit.

63. Para II-3: Non-recovery of Government Dues – Chakwal Dams Division Chakwal – Rs.529,254

Audit had observed: “A quantity of 13231350 gallons water were supplied from January to August 1990 to the Municipal Committee Chakwal but water charges amounting to Rs.529,254 recoverable from the Committee were not collected.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

64. Para II-4(i): Page 120 – Non-Recovery of Government Dues – (This item Rs.23,850)

Audit had observed: “Water charges amounting to Rs.41,026 were outstanding against various Departments and contractors for the period March 1986 to June 1990.”

25-3-99: The Department explained that a sum of Rs.18,296 had been recovered leaving a recoverable balance of Rs.5,554. The balance recovery was also under process.

The PAC directed the Department to make good the balance amount and get verified by Audit the full recovery of Rs.23,850. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 March 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

65. Para II-4(ii): Page 120 – Non-Recovery of Government Dues – (This item Rs.17,176)

25-3-99: The Department explained that the amount of Rs.17,176 was recoverable from Divisional Forest Officer, Distt: Engineer Zila Council Okara and Chief Officer Municipal

Corporation Okara. The S.D.O. concerned had been directed to make good the recovery by making personal efforts.

The PAC kept the para pending for recovery and its verification by Audit.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 March 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

66. Para III-1: Page 122 – Losses to Government – Rs.108,100

Audit had observed: “Government Shisham Trees were illegally cut down by some one between November 1990 and February 1991 which resulted in a loss of Rs.108,100 to the Government.”

25-3-99: The Department explained that enquiry had been conducted and it was concluded that no official was involved in the theft of trees. The case was reported to the Police but they did not register the case. As neither any official was involved nor the police authorities investigated the theft therefore, the recovery was impossible.

The PAC directed the Department that if factually the recovery was impossible then a case may be referred to the Competent Authority to write off the loss. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 March 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

67. Para III-2: Page 122 – Losses to Government – Rs.23,839

Audit had observed: “Work given to a contractor was to be completed by 30 March 1990. The contractor failed to complete the work in time and his agreement was rescinded under clause 4(a) of the agreement. The Department, instead of forfeiting the full security of the contractor, imposed a penalty of 0.25% of the estimated cost of Rs.660,000 which resulted in a loss of Rs.23,839 to the Government.”

22-4-99: The Department explained that recovery due had already been made.

The PAC directed the Department to produce the relevant record to Audit for verification and the para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 22 April 1999, **the Committee settled the para subject to the following direction–**

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

68. Para III-3: Page 122 – Losses to Government – Rs.89,426

Audit had observed: “Five complete starters and three Cast Iron Pipes were stolen in January and December 1989 which resulted in a loss of Rs.89,426 to the Government.”

26-2-99: The Department explained that theft of five No. starters and three No. C.I. Pipes had been reported to the police where F.I.R. had been registered. The police reported that the theft was un-traceable. Then departmental enquiry was conducted as a result of which the

concerned tubewell operator was held responsible for the loss of five No. starters from whom the recovery of Rs.80,000 being the cost of starters in the process of recovery. Also the C.I. Pipes had been recovered from the concerned Sub Engineer and got verified by Audit.

The PAC directed that recovery of loss so far effected from the tubewell operator may be got verified by Audit and balance amount may be made good without further delay. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

69. Para III-4: Page 123 – Loss to Government – Small Dams Division Islamabad – Rs.75,200

Audit had observed: “The tender of the lowest bidder was altogether ignored without recording reasons and the work was awarded to the second lowest contractor in violation of para 2.72(2) and para 2.72(4) Public Works Department Code. This resulted in a loss of Rs.75,200 to the Government in May 1990.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

70. Para III-5: Page 123 – Losses to Government – Rs.235,690

Audit had observed: “Trees were stolen between October 1989 to May 1990 which resulted in a loss of Rs.235,690 to the Govt.”

25-3-99: The Department explained that enquiry had been conducted but no officer/ official had been found involved. The theft was reported to the police but they did not register the case.

The PAC directed the Department to make efforts to trace out the theft and also to get registration of F.I.R. with Police in this regard. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 March 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

71. Para III-6 Page 123 – Losses to Government – Rs.472,084

Audit had observed: “The rent of shops amounting to Rs.472,084 was not recovered from tenants from 1984 to 1991 which resulted in a loss to the government.”

25-3-99: The Department explained that an amount of Rs.573,890 had been recovered from the tenants.

The PAC **settled the para** subject to verification of recovery of Rs.573,890 by Audit.

72. Para III-7: Page 124 – Losses to Government – Rs.70,080

Audit had observed: “Fourteen trees were stolen which resulted in a loss of Rs.70,080 to the Government.”

25-3-99: The Department explained that actual cost of the stolen trees was got worked out by the Divisional Forest Officer Sahiwal as Rs.14,125 instead of Rs.70,080 as worked out by Audit. Therefore, the para may be reduced to Rs.14,125.

The PAC directed the Department to produce the relevant record to Audit for verification of factual position. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 25 March 1999, **the Committee settled the para subject to the following direction–**

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

73. Para III-8: Page 124 – Losses to Government – Rs.49,500

Audit had observed: “Government trees were cut down illegally during July 1986 to April 1990 which resulted in a loss of Rs.49,500 to the Government.”

25-3-99: The Department explained that actual loss was Rs.11,130 according to the yard-stick of Forest Department and not Rs.49,500 as shown by Audit. The case was reported to the Police Department but they did not register the case. Departmental enquiry had been conducted and as a result no official was found guilty. Therefore, the recovery was not possible.

The PAC directed the Department that the case may be referred to the Competent Authority for the write off sanction of the loss. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 March 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

74. Para IV-1: Page 125 – Shortage of Government Material – Rs.73,318

Audit had observed: “Stock articles costing Rs.73,318 were shown short in the stock register for 1986-87. No inquiry was held to fix responsibility for recovery.”

25-2-99: The Department explained that enquiry was being conducted which would be completed within 15 days. Final action would be taken after completion of enquiry.

The PAC kept the para pending for completion of enquiry and final action according to the findings of enquiry.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

75. Para IV-2: Page 125 – Shortage of Government Material – Rs.69,323

Audit had observed: “Stock and Tools and Plants articles worth Rs.69,323 were found short against a Sub-Engineer in March 1990.”

25-3-99: The Department explained that an enquiry had been conducted and as a result thereof Mr. Arshad Mehmood Sub Engineer was held responsible for the loss. The said sub Engineer filed a case against the departmental decision in the Punjab Services Tribunal. As such the matter was subjudice.

The PAC directed the Department to pursue the case in the court vigorously by taking personal interest. The para was kept pending.

13-6-02: **The Committee settled the para with the direction** that subject to the decision of the court, the recovery shall be effected and disciplinary action taken. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

76. Para IV-3: Page 125 – Shortage of Government Material – Rs.30,308

Audit had observed: “Tools and Plants articles worth Rs.30,308 were shown short against a Sub-Engineer. No inquiry was held to fix the responsibility of the shortage and effect recovery.”

25-3-99: The Department explained that the Sub Engineer concerned had ultimately handed over the charge to his successor. The articles shown short had also been handed over to the incoming Sub Engineer and there was no shortage found.

The PAC directed the Department to proceed against the Sub Engineer who did not hand over his charge to his successor soon after his transfer and delayed the matter for years together. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 March 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

77. Para IV-4: Page 125 – Shortage of Government Material – Rs.230,200

Audit had observed: “Burnt Copper Wire and Copper enameled wire worth Rs.230,200 (Rs.205,200 + Rs.25,000) was found short against two officials during physical verification by the Department in September 1989 and July 1990.”

26-2-99: The Department explained that the defaulting Sub Engineer who was held responsible for the loss of Rs.205,000 had since expired and therefore, the case for write off sanction of the said loss had been referred to the Competent Authority. The remaining amount of loss worth Rs.25,000 had been recovered.

The PAC kept the para pending for the write off sanction of loss of Rs.205,000 and verification of recovery of Rs.25,000.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

78. Para IV-5: Page 126 – Shortage of Government Material – Rs.175,685

Audit had observed: “Material worth Rs.175,685 was found short on various tubewells during physical checking by the Executive Engineer in August 1990.”

26-2-99: The Department explained that enquiry had been conducted and report had been sent to the competent authority. Final decision with regard to the enquiry report was awaited.

The PAC kept the para pending for the final decision in accordance with the enquiry report.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

79. Para IV-6: Page 126 – Shortage of Government Material – Rs.50,100

Audit had observed: “A quantity of 12463 cft stone pitching worth Rs.50,100 was found short against a Sub-Engineer during physical checking by the Executive Engineer in September 1990.”

25-3-99: The Department explained that enquiry had been conducted and as a result of it the Sub Engineer concerned was held responsible and he was directed to deposit the whole amount of Rs.50,100 with the Government. The Sub Engineer filed an appeal before the Punjab Services Tribunal and the decision of the Department was set aside by the Tribunal.

The PAC was not satisfied with the explanation and observed that departmental decision was taken against the defaulter Sub Engineer in 4/95 and his appeal was rejected by the C.E, but the concerned departmental authorities did not make any effort to recover the loss for about three years. After three years the defaulting Sub Engineer filed an appeal in the Services Tribunal. Therefore, the PAC directed that enquiry may be conducted to fix responsibility as to the person who did not take timely action for recovery and kept the matter pending for three years. The defaulter may be proceeded against for disciplinary action and loss may be made good from him. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 March 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

80. Para IV-7: Page 126 – Shortage of Government Material – Rs.83,141

Audit had observed: “Stock, tools and plant articles worth Rs.83,141 were found short against a Sub-Engineer by the Department in 1988.”

26-2-99: The Department explained that after enquiry the accused Sub-Engineer had been exonerated. Anyhow, the said missing articles had been recovered.

The Audit apprised the Committee that T & P articles found missing in 1989 had reportedly been received back in 1993 which was quite doubtful. The PAC was not satisfied with the explanation and directed the Department to conduct fresh inquiry and fix responsibility for the loss. The amount of loss may be recovered from the defaulter. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

81. Para IV-8: Page – Shortage of Government Material – Chakwal Dams Division Chakwal – Rs.14,961

Audit had observed: “Stores worth Rs.14,961 were found short against a Sub-Engineer in March 1986.”

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

82. Para IV-9: Page 127 – Shortage of Government Material – Rs.52,664

Audit had observed: “Payment for supply and carriage of stone was made for 12000 cft. against which the consumption of only 5044 cft. was recorded in the final bill. The balance quantity of 6956 cft (12000-5044) stone was neither consumed on the work nor was taken on stock. Therefore, the stone worth Rs.52,664 was misappropriated.”

26-2-99: The Department explained that an enquiry had been conducted and the report of inquiry had been submitted to the Chief Engineer concerned which was under consideration

for final decision.

The PAC kept the para pending for the finalization of action in accordance with the enquiry report.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

83. Para IV-10: Page 127 – Shortage of Government Material – Rs.4,187,602

Audit had observed: “Various components of bore damaged tubewells worth Rs.4,187,602 were misappropriated in February 1990.”

26-2-99: The Department explained that an enquiry Committee was constituted to conduct an enquiry into the matter. Enquiry report had since been completed and sent to the higher authorities for further action. The main incumbent of the para Mr. Abdul Rehman XEN had since been dismissed from service.

The PAC kept the para pending for appropriate action in accordance with the enquiry report.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

84. Para IV-11: Page 128 – Shortage of Government Material-Rs.93,700

Audit had observed: “Stock, Tools and plants worth Rs.93,700 issued to a sub-engineer in July 1990, were not taken in the stock register. Thus, misappropriation of the material cannot be ruled out.”

25-2-99: The Department explained that an enquiry was being conducted and further action would be taken after the finalization of enquiry. The relevant record had been traced out and would be got verified by Audit.

The PAC directed the Department to finalize the enquiry without further loss of time and relevant record may be produced to Audit for verification. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 25 February 1999, **the Committee settled the para subject to the following direction–**

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

85. Para IV-12: Page 128 – Shortage of Government Material – Rs.111,400

Audit had observed: “Payment for cutting and carriage of 5570 mounds fuel wood was made to a contractor. The wood was neither taken on stock nor its disposal was shown in the Government record.”

25-3-99: The Department explained that fuel wood quota for staff had not passed through stock transaction but direct distribution among the staff had been made. Acknowledgements of the employees were available on record in token of receipt of wood.

The PAC was not satisfied with the explanation as the Department had not clarified the adjustment of cutting and carriage charges. Therefore, the PAC directed the Department to produce the relevant record including the distribution of wood, adjustment of cutting/carriage

charges etc by Audit. The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 25 March 1999, **the Committee settled the para subject to the following direction–**

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

86. Para IV-13: Page 128 – Shortage of Government Material – Rs.63,965

Audit had observed: “Stock and Tools and Plants articles worth Rs.,63,965 were found short against a sub-engineer in July, 1990.”

25-3-99: The Department explained that full recovery had been effected.

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

87. Para IV-14: Page 129 – Shortage of Government Material – Rs.591,729

Audit had observed: “According to the rate analysis of the Standing Rates Committee vide item No.19(i) at page 132 of Composite Schedule of Rates, 1979 regarding supplying and filling stone in wire crates 110 cft. loose stone was required for 100 cft. completed item. A quantity for 1392257 cft. supplying and filling of loose stone for dumping was measured (one crate holding 3 cft. stone). According to the above formula, 1265689 cft. stone for filling in 421895 Nos. trungers was required to be paid. Whereas 464086 Nos. trungers were shown as consumed on the works. Thus 42191 Nos. trungers were consumed in excess resulting in misappropriation of material amounting to Rs.591,729.”

25-2-99: The Department explained that payment had been made according to the Technical Sanction Estimate. The tranger had been used to hold 3 Cft stone whereas it was not possible practically to follow the formula of 110 Cft loose stone and 100 Cft packed stone.

The PAC directed the Department to refer the case to the Standing Rates Committee for clarification and got the matter finalized before the next meeting. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

88. Para IV-15: Page 129 – Shortage of Government Material-Rs.21,625

Audit had observed: “Tools and Plant articles worth Rs.21,625 were found short against a Sub-divisional Officer in April 1990.”

25-2-99: The Department explained that material considered short by Audit was available in the Sub Division concerned.

The PAC directed the Department to produce the relevant record showing the availability of material to Audit for verification within 15 days. If record was not available then recovery may be effected from the defaulter. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 25 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

89. Para V-1: Page 130 – Theft of Government Store – Rs.27,000

Audit had observed: “Sheesham Trees worth Rs.27,000 were stolen during March, and August, 1989. No departmental inquiry was conducted. In one case a tree was taken away by a Sub Engineer of the area, but its cost Rs.6,050 was not recovered from him. Audit was also not informed of the theft as per the rule.”

26-2-99: The Department explained that two No. Shisham trees had not stolen rather the same had been handed over to Forest Guard of Canal Side Plantation Division Sargodha. The receipt of these two trees was admitted by the D.F.O Canal side Plantation Sargodha. The theft case of one No. Shisham Tree was challaned. The culprit was awarded with a fine of Rs.100.

The PAC directed that price of the tree may be refixed at the current rates and full recovery of loss may be recovered from the defaulter. Record pertaining to the trees handed over to Forest Department may be got verified by Audit. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

90. Para V-2: Page 130 – Theft of Government Store – Rs.238,500

Audit had observed: “Trees costing Rs.238,500 were illegally cut down and stolen during June 1989 to June 1990 which resulted in a loss of Rs.238,500 to the Government.”

26-2-99: The Department explained that a sum of Rs.11,943 had been recovered and balance recovery was being pursued for early finalization.

The PAC directed the Department to finalize the balance recovery without loss of time. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 26 February 1999 by 31 October 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

91. Para VI-1: Page 131 – Infuctuous Expenditure – Rs.279,800

Audit had observed: “Some stone out of total requirement for a work was managed from a quarry at a distance of 108 miles whereas the balance quantity was arranged from a distant quarry with a lead of 227 miles from the site of the work, Therefore, extra expenditure of Rs.279,800 incurred on the carriage of stone from a distant quarry was infuctuous vide Note 2 against item 4 page 149 of the Composite Schedule of Rates, 1979.”

22-4-99: The Department explained that stone was to be carried from Sakhi Sarwar Quarry to spur No.2. Shehar Sultan, the site of work. The carriage of stone on the said route was stopped by the D.C. D.G. Khan under Section 144 due to emergency & severe river action on spur No. 1 & 2. Therefore, the contractor had to bring in part quantity of stone from Sargodha as per direction of the Department. Accordingly a lead of 227 miles instead of 180 miles was taken into accounts. Later on when the Department allowed the lead of 180 miles the contractor moved a case against the Department in the court. The court awarded decree against the Department and therefore, the Department had to pay the lead of 227 miles.

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

92. Para VI-2: Page 131 – Infuctuous Expenditure – Rs.143,809

Audit had observed: “Electric Motors of different Tubewells were shown rewinded twice (and in some case thrice) in January 1990, which resulted in doubtful expenditure of Rs.143,809.”

26-2-99: The Department explained that electric motors had burned due to fluctuation in voltage on different occasions during 1989. The bills issued by the Store & Workshop division remained unpaid mainly due to non-availability of funds. The payments were made during 1/90. There was duplicacy of payment against one job. The PAC directed the Department to produce the following record to audit for verification:-

- (i) Job orders alongwith job order book
- (ii) Log Book of Tubewell
- (iii) T.S. Estimate
- (iv) Tubewell accessories register
- (v) Measurement books

The para was kept pending.

13-6-02: Reiterating the decision of the PAC dated 26 February 1999, **the Committee settled the para subject to the following direction–**

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

Annexure Paras

1. Para 113(ii)/65-66 read with Sr. No. 1 Page 198 - Irregular Payment of Rs.35,670

25-2-99: The Department explained that the amount of Rs.36,760 had been reduced to Rs.18,380 after recovery of Rs.18,378 from a Sub Engineer. The said recoverable amount would be got written off by the Competent Authority.

The PAC directed the Department to move a case for the write off sanction and the para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

2. Para No. 206/67-68: Page 198 read with Sr. No.2 of Audit Report for the Year 1990-91; Loss to Government-Rs.76,494

3. Para No. 123(1)/68-69: Page 198 read with Sr. No.3 of Audit Report for the Year 1990-91; Fraudulent Payment-Rs.28,870

4. Para No. 11(6)/75-76: Page 198 read with Sr. No.4 of Audit Report for the Year 1990-91; Shortage of Stock T&P Articles-Rs.31,84

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Paras were kept pending.**

5. Para 100(8)/82-83 read with Sr. No.5 Page 198 - Excess Payment of Rs.11,077

25-2-99: The Department explained that amount of Rs.11,077 had since been adjusted.

The PAC directed the Department to produce the relevant recovery in support of stated adjustment to Audit for verification. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

6. Para 52(9)/81-82 read with Sr. No.6 Page 198 - Overpayment of Rs.17,912

25-2-99: The Department explained that recovery of Rs.17,912 had been effected and got verified by Audit.

The Audit apprised the PAC that recoverable amount had been enhanced from Rs.17,912 to Rs.28,301, therefore, balance of Rs.10,389 needed to be effected.

The PAC directed the Department to effect the balance recovery and the para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

7. Para 84(3)/83-84: read with Sr. No.7 Page 198 – Loss to Government–Rs.96,564

25-2-99: The Department explained that all the 28 theft cases had been reported to the Police authorities concerned but no result had so far been received from the Police authorities despite the fact that the matter was reported to the S.P. Sheikhpura and Inspector General of Police.

The PAC directed that S.P. Sheikhpura may be directed to attend the next meeting of PAC alongwith the relevant record to brief the PAC on the subject matter. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

8. Para 84 (5)/83-84: read with Sr. No.8 Page 198 – Loss to Government – Rs.30,372

25-2-99: The Department explained that all the theft cases were either in court or with the Police authorities. Departmental enquiry had been conducted but no officer/official was found at fault in this regard. The case was with the higher authorities for final decision.

The PAC directed the Department to conduct a fresh enquiry and fix responsibility for the loss and recover the loss from the defaulters. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

9. Para No. 90/72-73: Page 198 read with Sr. No.9 of Audit Report for the Year 1990-91; Locking up of Capital-Rs.253,660

10. Para No. 11(14)/75-76: Page 198 read with Sr. No.10 of Audit Report for the Year 1990-91; Shortage of Store-Rs.16,883

11. Para No. 96(3)/82-83: Page 198 read with Sr. No.11 of Audit Report for the Year 1990-91; Irregular Expenditure-Rs.123,880

12. Para No. 96(4)/82-83: Page 198 read with Sr. No.12 of Audit Report for the Year 1990-91; Irregular Expenditure-Rs.213,720

13. Para No. 86(2)/83-84: Page 198 read with Sr. No.13 of Audit Report for the year 1990-91; Non-Recovery of Hire Charges-Rs.191,184

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Paras were kept pending.**

14. Para 51(2)/81-82: read with Sr. No.14 Page 199 – Theft of T & P Articles – Rs.231,300

25-2-99: The Department explained that case for write off sanction of Rs.231,300 had been sent to the Finance Department and decision was awaited.

The PAC directed the Department to pursue the write off sanction case for early decision by the Finance Department and the para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

15. Para 97(16)/82-83: read with Sr. No.15 Page 199 – Shortage of Stores – Rs.15,690

25-2-99: The Department explained that the Audit observation was about 29 years old and meanwhile the concerned Division had been closed. The record of that Division had been transferred to different Divisions time and again. The concerned Sub Engineer had also been expired. Anyhow, the Department was trying its best to trace the record.

The PAC directed the Department to move a case to Finance Department for the write off sanction of the loss. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

16. Para 98(2)/82-83: read with Sr. No.16 Page 199 – Loss Due to Theft – Rs.100,715

25-2-99: The Department explained that 12 theft cases were reported to the concerned Police authorities but only one F.I.R. had registered. S.P. Sheikhpura was also apprised of the position but with no response.

The PAC directed the Department that record showing that no payment was made to the tubewell operators for dismissal period may be got verified by Audit as already directed by the PAC on 31-1-96. The PAC further directed that S.P. Sheikhpura may be asked to attend the next meeting of PAC alongwith the relevant record for briefing the PAC on the subject matter. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

17. Para 50(24)/81-82: read with Sr. No.17 Page 199 - Shortage of T&P Articles – Rs.17,845 (Reduced to Rs.16,783)

25-2-99: The Department explained that recovery of Rs.1,962/00 had been got verified by Audit. A further amount of Rs.3,927 had been recovered. All out efforts were being made for the balance recovery of Rs.12,856.

The PAC directed that recovery of Rs.3,927 may be got verified by Audit and balance amount of Rs.12,856 may be made good within three months positively. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

18. Para 97(7)/82-83: read with Sr. No. 18 Page 199 - Shortage of T & P Articles – Rs.46,946

25-2-99: The Department explained that enquiry officer was appointed on 8-2-86. The findings of the enquiry officer were still awaited.

The PAC felt quite dissatisfied with the explanation and observed that on 4-8-87 the Department assured the PAC that disciplinary action against the Sub Engineer concerned would be completed within two months. Contrary to this nothing had so far been done. Even the enquiry against the defaulter could not be completed despite the lapse of 12 years. Therefore, the PAC directed that Authorized Officer may be proceeded against for disciplinary action and recovery may be effected. The matter involving negligence on the part of the Department in overlooking the directives of PAC may be brought to the notice of Minister concerned. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the

PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

19. Para 100(1)/82-83: read with Sr. No.19 Page 199- Excess Payment—Rs.104,288

25-2-99: The Department explained that defaulting officers/officials had either been retired or expired.

The PAC directed that recovery of overpaid amount may be effected within three months. The officer/official who did not take timely action for recovery from the defaulter may be proceeded against for disciplinary action. The officer who issued N.O.C. for the grant of pensionary benefits in favour of the retired defaulting officer may also be proceeded against for disciplinary action. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

20. Para 89(1)/83-84: read with Sr. No. 20 Page 199 - Shortage of Stores – Rs.161,000

25-2-99: The Department explained that the concerned Sub Engineer Mr. Fazal-ur-Rehman Saleemi had not submitted his pension papers. Anyhow, an entry to effect recovery of Rs.116,100 had been recorded in his Service Book, and recovery would be made from his pension/gratuity. The actual amount of recovery was Rs.116,100 and not Rs.161,000.

The PAC directed the Department that if the pensionary dues of the retired defaulter were pending then recovery may be effected from his pension/gratuity, otherwise recovery may be made through arrears of land Revenue. The Para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

21. Para 85(1)/83-84: read with Sr. No.21 Page 199 - Loss to Government – Rs.167,381

25-2-99: The Department explained that recovery of Rs.167,381 had since been made from the SDO and Sub Engineer concerned.

The PAC directed the Department to produce the relevant record in support of stated recovery to Audit for verification. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

22. Para 100(5)/82-83: read with Sr. No.22 Page 199 – Excess Payment – Rs.20,996

25-2-99: The Department explained that a sum of Rs.10,498 had been recovered. The remaining amount of Rs.10,498 could not be recovered even through arrears of land revenue as the defaulter S.D.O. had expired.

The PAC directed the Department to get the write off sanction of the balance amount of Rs.10,498 and the para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

23. Para 53(3)/81-82: read with S. No. 23 Page 199 - Non-Recovery of Rs.88,170

22-4-99: The Department explained that the work retrieving of Khanwah flood bund was allotted to a contractor. The speed of work being done by the contractor was very slow. Therefore, on the risk and cost of the contractor bulldozers were deployed by making advance payment to the Agriculture Department. Total bill of the machinery came to Rs.142,428 out of

which a sum of Rs.54,259 had been recovered. Meanwhile the contractor filed a civil suit against the recovery. The court decided the case against the Department. Also an enquiry had been conducted but no officer/official had been held responsible.

The PAC advised the Department to get the loss written off by the competent Authority. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The Para was kept pending.**

24. Para 95(2)/82-83: read with Sr. No. 24 Page 200 - Loss to Government –Rs.359,321

22-4-99: The Department explained that an enquiry had been conducted as a result of which the S.D.O. concerned had been exonerated of the charges levelled against him. However, an amount of Rs.2,244 was recovered from the Sub-Engineer concerned (Mr. M. Akram Afghan). Enquiry report had also been provided to the Audit. The PAC accepted the explanation and **the para was settled.**

25. Para 98(3)/82-83: read with Sr. No. 25 Page 200 - Loss Due to Theft-Rs.65,095

25-2-99: The Department explained that this para was a composite para consisting of 5 parts. Part wise position was as under:-

Part I Rs.5,010 In this case actual recoverable amount was Rs.714 only which had been recovered and verified by Audit. The remaining sum of Rs.4,296 was wrongly calculated by Audit.

Part-II-Rs.43,585 This amount had wrongly been calculated as no theft of starters had occurred on the concerned tubewells.

Part III & IV Rs.13,650 & Rs.1,500 Departmental enquiry had been conducted and as a result no officer/official was held responsible. Therefore, a case for write off sanction for Rs.15,150 (13,650 + 1,500) had been moved.

Part V Rs.1,350 Recovery of Rs.1,350 had been effected and verified by Audit.

The PAC directed the Department that relevant record pertaining to the sum of Rs.47,881 (4296 + 43585), allegedly wrongly calculated by Audit, may be produced to Audit for verification. Write off sanction of the loss of Rs.15,150 may be obtained and verified by Audit. The para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The para was kept pending.**

26. Para 95(8)/82-83: read with Sr. No.26 Page 200 – Loss to Government Rs.51,261

26-2-99: The Department explained that the amount of the para had been reduced to Rs.9,929. The said loss of Rs.9,929 had been written off by the Competent Authority.

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

27. Para 52(14)/82-83: read with Sr. No. 27 Page 200 – Excess Payment of Rs.56,634 Reduced to Rs.6,639

26-2-99: The Department explained that concerned XEN and Divisional Accountant had since been retired from service. Therefore, disciplinary action was not possible. A case for write off sanction of Rs.6,639 was under process.

The PAC kept the para pending for write off sanction of Rs.6,639.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The para was kept pending.**

28. Para 95(13)/82-83: read with Serial No.28 Page 200 – Loss to Government – Rs.9,000

26-2-99: The Department explained that recovery of overpaid amount was under process through arrears of land revenue.

The PAC directed that recovery may be completed within two months positively and the para was kept pending.

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The para was kept pending.**

29. Para No. 97(2)/82-83: Page 200 read with Sr. No.29 of Audit Report for the Year 1990-91; Shortage of Store-Rs.91,546

30. Para No. 11(3)/75-76: Page 200 read with Sr. No.30 of Audit Report for the Year 1990-91; Shortage of Store-Rs.206,875

31. Para No. 90/83-84: Page 200 read with Sr. No.31 of Audit Report for the Year 1990-91; Wasteful Expenditure-Rs.267,335

13-6-02: The Committee directed that the Department should comply with the directives of the PAC by 31 October 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The paras were kept pending.**

32. Para 97(5)/82-83: read with Sr. No. 32 Page 200 – Shortage of Store Rs.65,946

21-4-96: The explanation of the Department was accepted and **the para was settled.**

33. Para 95(3)/82-83: read with Sr. No. 33 Page 200 – Irregular Expenditure –Rs.219,267

21-4-96: The Department explained that additional expenditure on account of carriage of pitching stone from reserve stock was incurred due to the fact that the work was executed from March to July, 1977 when the working conditions were quite un-favourable due to political turmoil in the country and extraordinary rain fall.

The PAC was not satisfied with the explanation and directed the Department that all the relevant record including log books, T.S. Estimate originally sanctioned and revised T.S. Estimate alongwith item-wise details of variation in the revised T.S. be produced to the Audit for verification. The para was kept pending.

25-2-99: The Department explained that Administrative Approval of the work approved for Rs.8,800,000 had been traced out and could be verified by Audit.

The PAC **settled the para** subject to verification of letter of Planning and Development Department regarding Administrative Approval of the work for Rs.8,800,000.

34. Para 98/70-71: read with Sr. No. 34 Page 200 – Loss of Store – Rs.72,276

21-4-96: The Department explained that recovery had been effected and consumption of tiles and bricks had been verified by Audit.

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

Commercial Audit

1. Para 3(xxi): Page 6 –Irrigation Workshops Division, 1988-89 Mughalpura, Lahore. to 1990-91

13-6-02: The PAC **noted** the contents of the Audit para and directed that the Departments should

promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that the accounts are compiled and submitted to Audit in time.

Pages 185 to 235: Chapter No. III & IV

The Committee **noted** the Chapters as these were of introductory/descriptive nature.

High Court Department

Overview

Total Paras	Civil	Annexure Paras
4	3	1

Abstract

Status	Decision	Para Nos.	Total
Paras Conditionally Settled 4	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit shall verify the same.	Civil: 10.1, 10.2, 10.3 Civil Annexure: 40/80-81	3 1

Discussed on 12 June 2002.

Civil Audit

1. Para 10.1: Page 133 – Excess Payment on Account Of Residential Telephone Rs.45,561.

Audit had observed: “According to Finance Department notification No.SO(pw-i)Z-1/Tech/82, dated 4.9.1985, Distt. & Session Judge was entitled for 300 local telephone calls per month at Govt. expense from his residential telephone. A sum of Rs.45,561 was paid during 1987-89 over and above the prescribed limit.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

2. Para 10.2: Page 133 – Irregular Purchase of Stationery-Rs.29,130.

Audit had observed: “An expenditure of Rs.29,130 was incurred during 1988 on local purchase of stationery by the Distt. & Session Judge, Sargodha, but neither non availability certificate was obtained from Govt. printing press nor sanction of the competent authority was available on record.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 10.3: Page 133 – Excess Expenditure Of Rs.10,137 on Account of Use of Residential Telephone.

Audit had observed: “During 1988-90 the District and Session Judge, Bhakkar paid a sum of Rs.10,137 from the Government funds for telephone calls made from residential telephone No.505. the amount was required to be paid by the officer from his own pocket as same related to the calls made over and above the entitlement of 300 free calls per month.”

12-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

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

Annexure Para

1. Para No.40/1980-81 Page 299 read with Sr. No.60 of Audit Report for the Year 1989-90; Fictitious Payments-Rs.17,107

12-6-02: The above mentioned para had already been conditionally settled/dropped by the PAC. However, the Committee **settled the para** with the direction that the Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 October 2002. Finance Department shall monitor the implementation of the directives of the PAC.

Livestock and Dairy Development Department

Overview

Total Paras	Civil	Commercial
10	5	5

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 2	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	Commercial: 3(xxii), 116	2
Paras Finally Settled 5	Paras finally settled as the requisite action had been taken.	Civil: 14.1, 14.3, 14.4, 14.5 Commercial: : 113	4 1
Paras Conditionally Settled 3	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit shall verify the same.	Civil: 14.2 Commercial: 114, 115.	1 2

Discussed on 28 March 1995, 7 July 1999 and 12-13 June 2002.

Civil Audit

1. Para 14.1: Page 149 • Irregular Purchase of Vehicle Valuing Rs.1,075,000 And its Misuse

Audit had observed: "An expenditure of Rs.1,075,000 was incurred by the Director, Livestock Farms, Punjab, Lahore on the purchase of Nissan Patrol Jeep on December, 1989. The vehicle was

purchased for the use of Director without obtaining authority for increase in the number of vehicles for the department from the Finance Department as required vide item No. 7-A of second schedule to the Delegation of Powers under Financial Rules and power of re-appropriation Rules. The vehicle remained under use of the Minister who had already been provided with transport according to his entitlement.”

28-3-95: The Department explained that vehicle was purchased with the approval of the Chief Minister after observing all the necessary formalities. The explanation of the Department was accepted and **the para was settled.**

2. Para 14.2: Page 149 • Non-Recovery of Rent of Government Land Rs.86,146

Audit had observed: “In Livestock Experiment Station Shah Jewna and Kot Amit Shah Jhang Rs.86,146 were recoverable from tenants/cultivators on account of yearly rent of Govt. land. This amount included Rs.51,276 which pertained to the period prior to 5th October, 1986 when the farms were under the control of the Livestock & Dairy Development Department and the cultivators used to cultivate the land under batai system.”

28-3-95: An amount of Rs.86,146 was recoverable from the tenants on account of rent of Government Land.

The Department explained that an amount of Rs.45,530 had already been recovered and verified by Audit. The remaining amount of Rs.40,615 had also been recovered.

The Public Accounts Committee **settled the para** subject to verification of recovery of the remaining amount of Rs.40,615 by Audit.

3. Para 14.3: Page 150– Non-Deposit of Sale Proceeds of Animals Etc. – Rs.24,408

(a) Audit had observed: “Superintendent, Govt. Livestock Farm, Rakh Mahni Distt. Bhakkar, supplied animals worth Rs.52,160 during April, 1989 to the Director, Livestock, Punjab, Lahore who deposited only Rs.33,116 into Govt. treasury, which was less by Rs.19,044.”

(b) Audit had observed: “Five animals valuing Rs.2,880 were also less acknowledged by the Director, Livestock, Lahore. No action was taken to locate the missing animals.”

(c) Audit had observed: “During March & June, 1990, cement costing Rs.2,484 was issued by the Superintendent from his main store and was shown as consumed but no detail of work done was available on record.”

28-3-95: (a) The Department explained that an amount of Rs.14,285 (out of Rs.19,044) on account of sale proceeds of animals. Less recovery of Rs.4,759 was due to the fact that animals lost weight during transit.

(b) Recovery of Rs.2,880 worked out by Audit was due to some misunderstanding as no animal

was lost and all the animals were delivered at the destination except one which was returned back to form due to illness.

(c) Details of work and accounted to cement utilized on that work were shown to Audit. The explanation of the Department was accepted and **para was settled.**

4. Para 14.4: Page 151 – Suspected Misappropriation of Rs.529,241

Audit had observed: “According to the rates prescribed for artificial insemination a sum of Rs.15,441,618 was to be realized for the cases conducted during 1988-89 & 1989-90 as reported by Data Section of Director, Livestock Production, Extension and Artificial Insemination Service, Punjab, Lahore. However, only a sum of Rs.14,912,337 was deposited into Government Treasury during the period on this account. The difference of Rs.529,241 appears to have been misappropriated.”

28-3-95: It was apprehended that less amount to the tune of Rs.529,241 (483,342 + 45,899) was counted for and credited into Government Treasury.

The Department explained that an enquiry was conducted by an officer of the Department with regard to account of the said amount of Rs.529,241. As a result the enquiry officer reported that there was no misappropriation and all the amount was deposited into treasury. The explanation of the Department was accepted and **para was settled.**

5. Para 14.5: Page 151 – Loss of Rs.34,525 Through Sale of Milk at Low Price

Audit had observed: “Production of milk in Governor House daily during the year 1989-90 was 39510 litres (cow) and 3566 litres (Buffalo). According to the rate contract of milk during the year 1989-90 i.e. Rs.3.46 per litre (Cow) and Rs.4.20 per litre (Buffalo) the sale proceeds should have been Rs.150,891/60. However, the milk was sold Rs.2/50 per litre from July 1989 to September, 1989 and @ Rs.3 from December, 1989 to June, 1990. The total amount shown as income was Rs.116,367. In this way the Government was put to the loss of Rs.34,524/60.”

28-3-95: The Department explained that necessary sanction to the write off of the loss of Rs.34,524/60 has been accorded by the Government. The Punjab Finance Department has regularized the sale of milk to the staff of Governor House at low rate. The explanation of the Department was accepted and **the para was settled.**

Commercial Audit

1. Para 3(xxii): Page 6 – Punjab Livestock, Dairy and Poultry Development Board, Lahore.

13-6-02: The PAC noted the contents of the Audit para and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Department must ensure that the accounts are compiled and submitted to Audit in time.

2. Para 113: Page 67 – Working Results

Audit had observed: “The working results of Punjab Dairy Corporation Limited for the years 1987-88, 1988-89, 1989-90 and 1990-91 as compared with those for the year 1986-87.....

The above table indicates that the Corporation is continuously running in losses which were gradually increasing from Rs.6.248 million in 1986-87 to Rs.34.891 million in 1989-90. However the loss declined to Rs.23.185 million in 199-91 but this was not due to any improvement in the working of the Corporation, but due to closure of the plant w.e.f. March 14, 1990 resulting in a decrease in gross loss. The results of the Corporation during its operation could be judged from the fact that it did not even recover the cost of inputs resulting in gross losses. One of the reasons of continuous losses was attributed to under-utilization of its capacity. Another major factor for losses was the increase in operating expenses from Rs.6.358 million in 1986-87 to Rs.19.833 million in 1986-87 to Rs.19.833 million in 1990-91.”

7-7-99: The Department explained that gradual increase of losses was due to the fact that:-

- i) the plant was under-utilized of its capacity.
- ii) the requirement of milk powder had been met from the local market instead of receipt from the Aid Giving Agencies. The local market was unable to make supply upto the requirement.
- iii) there was no proper arrangement of marketing of extra milk during flush season.
- iv) milk supply during lean season was far less than requirement.
- v) the plant had been closed in March 90 to save the Corporation from further losses.
- vi) in 11/96 the plant was re-commissioned after a joint venture agreement between Corporation and Idara-e-Kisan.

Now it was hoped that no further loss would be sustained and plant would be utilized in full capacity.

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

3. Para 114: Page 68 – Trade Debts

Audit had observed: “(i)”Trade Debts” decreased from Rs.8.406 million on June 30, 1989 to Rs.5.265 million on June 30, 1991 yet the provision for doubtful debts which was Rs.1.259 million on June 30, 1989 increased to Rs.2.324 million on June 30, 1991. It shows that the balance at the end of the year 1991 which was Rs.5.265 million mostly consisted of doubtful recovery. The recovery of the balance amount of Rs.2.941 million after excluding doubtful debts is also doubtful. (ii) Debtors on June 30, 1991 included a sum of Rs.700,157 for which no record had been kept by the Corporation. Although full provision for the above amount has been made since 1986-87 yet no responsibility was fixed for non-maintenance of record. The matter is brought to the notice for

necessary investigation and fixing responsibility for recovery.”

7-7-99: The Department explained that there were 3 types of debtors:-

- 1) private distributors
- 2) Government Institutions
- 3) Ex-employees of PDC/LMP

The cases against 11 private distributors were in process in the court of law for recovery. A sum of Rs.625,936/51 from different Government Institutions and ex-employees of Corporation had been recovered. All out efforts were being made to effect the balance recovery.

The PAC directed the Department to make strenuous efforts for the balance recovery and to pursue the court case vigorously. Progress of balance recovery and court case may be reported to the PAC. The para was kept pending.

13-6-02: On consideration of the facts of the case, **the Committee settled the para subject to the following direction -**

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

4. Para 115: Page 68 – Assets Register

Audit had observed: “The Management has also not made any fixed assets register and hence the position of the assets cannot be ascertained.”

7-7-99: The Department explained that Assets Register had been maintained and was available for verification.

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

5. Para 116: Page 68 – Certification of Accounts

Audit had observed: “The Accounts have not been approved by the Board. The Accounts for the year 1990-91 have not been certified by the Chartered Accountants.”

7-7-99: The Department explained that the Accounts had since been audited by the Chartered Accountants and approved by the Chief Executive P.D.C.

The PAC directed the Department to get approved the said Accounts by the Board of Directors of P.D.C.

The para was kept pending.

13-6-02: The Committee **noted** the para.

Performance Audit Report

Strengthening and Development of Livestock Experimental Station Rakh Ghulaman, District Bhakkar

12-6-02: The Committee **pended** the said Performance Audit Report with the direction that the same shall be considered by the SDAC and its recommendations/report shall be submitted to the Assembly Secretariat by 31 October 2002 for further consideration by the PAC.

Local Government and Rural Development Department

Overview

Total Paras
1

Abstract

Status	Decision	Para Nos.	Total
Para Finally Settled 1	The para was finally settled as the requisite action had been taken.	Civil: 15.1	1

Discussed on 22 February 1995 and 29 February, 1996

Civil Audit

1. Para 15.1: Page 152 – Irregular Expenditure on Residential Telephone –Rs.23,921

Audit had observed: “An expenditure of Rs.23,921 was incurred from October, 1986 to December 1988 on the residential telephone of Assistant Director Local Government Jhelum whereas the officer was not entitled to residential telephone at Govt. expense. Sanction of the Finance Department required vide Note (1) below item No. 3(b) (ix) of second schedule to the Delegation of Powers Rules, 1983 had not been obtained. It was stated by the office that the case had already been referred to the Finance Department for according necessary sanction which was awaited.”

22-2-95: The irregular expenditure of Rs.23,921 related to un-sanctioned telephone charges. The officer who was provided with residential telephone was not entitled for the same.

The explanation put forth by the Department was not accepted by the Public Accounts Committee and

accordingly the Department was directed to get the expenditure regularized by Finance Department. The para was kept pending.

29-2-96: The department explained that the said amount of Rs.23,921 pertaining to telephone charges had been recovered from the officer concerned. The recovery had also been verified by Audit. **The para was settled.**

Population Welfare Department

Overview

Total Paras
1

Abstract

Status	Decision	Para Nos.	Total
Para Conditionally Settled 1	The para was settled with the direction that the Department shall implement the directives of the Committee and Audit shall verify the same.	Civil: 16-1	1

Discussed on 29 February 1996

Civil Audit

1. Para 16-1: Page153 – Wasteful Expenditure of Rs.566,250 on Repair and Maintenance of Rented Building

Audit had observed: “Director-General, Population Welfare programme, Punjab, Lahore released Rs.566,250 in 6/1990 for repair and maintenance of Family Welfare Centres buildings in 29 districts of the Punjab Province. All the family welfare centres were in rented buildings and their repair and maintenance was to be carried out by their owners and not by Government.”

29-2-96: The Department explained that amount of Rs.566,250 was distributed to 755 Family Welfare Centres in 29 Districts of the Punjab @ Rs.750 per centre. The said amount of Rs.750 was provided to these centres for minor repair and white wash etc to make the centres attractive for the public.

The para was settled subject to verification of factual position by Audit.

Public Relations Department

Overview

Total Paras

1

Abstract

Status	Decision	Para Nos.	Total
Para Finally Settled 1	The para was finally settled as the requisite action had been taken.	Civil: 17-1	1

Discussed on 29 February 1996

Civil Audit

1. Para 17-1: Page 154 – Irregular Expenditure on Advertisement of Private Organisations Amounting to Rs.223,904

Audit had observed: “In the office of Director General Public Relations, Punjab, Lahore advertisements of private organizations such as Anjuman-e-Ittehadul Muslimeen, Pakistan, Anjuman-e-Zinda Dillan, Lahore etc. were released to various News Papers and their payment made out of his own budget grant. The working of Director General Public Relations as publicity agent of such private organizations was irregular as he can only work as publicity agent for Govt. Department/ autonomous or semi autonomous organizations and local bodies.”

29-2-96: The explanation of the Department was accepted and **the para was settled.**

Services and General Administration Department

Overview

<u>Total Paras</u>

1

Abstract

Status	Decision	Para Nos.	<u>Total</u>
Para Noted 1	The para was noted as no further action was required as the same was of descriptive nature.	Commercial: 3(xxiv)	1

Discussed on 13 June 2002.

Commercial Audit

1. Para (xxiv): Page 6 –The Thal Industries Corporation Limited 1990-91

13-6-02: The PAC noted the contents of the Audit para and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Department must ensure that the accounts are compiled and submitted to Audit in time.

Social Welfare Department

Abstract

Status	Decision	Para Nos.	Total
Para Pended	Pended for consideration by SDAC.	Performance Audit Report on Punjab Social Services Board, Government of the Punjab.	1

Discussed on 12 June 2002.

Performance Audit Report on Punjab Social Services Board, Govt. of Punjab

12-6-02: The Committee **pended** the said Performance Audit Report with the direction that the same shall be considered by the SDAC and its recommendations/ report shall be submitted to the Assembly Secretariat by 31 October 2002 for further consideration by the PAC.

Transport Department

Overview

Total Paras	Revenue Receipts	Commercial
5	1	4

Abstract

Status	Decision	Para Nos.	Total
Paras Noted 1	The para was noted as no further action was required because it was of descriptive nature.	Commercial: 3(xx)	1
Paras Conditionally Settled 4	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Commercial: 12,13,14	3
		Revenue Receipts: 4.1	1

Discussed on 26 June 2002

Commercial Audit

1. Para 3(xx): Page 6 – Non-Compilation of Accounts 1986-87 to 1991-92

Audit had observed: “Punjab Road Transport Corporation, Lahore has not compiled its accounts.”

26-06-2002: The PAC noted the contents of the Audit para and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Department must ensure that the accounts are compiled and submitted to Audit in time.

2. Para 12: Page 17 – Wasteful Expenditure of Rs.7.609 Million on Incomplete Schemes

Audit had observed: “In Punjab Road Transport Corporation, a number of schemes were approved by the Government of Punjab in the year 1987, and an amount of Rs.31.4 million was released for execution of these schemes which were intended for improvements in the Building of PRTC urban depots, Central Workshop and construction of a new building for Central Transport Training Institute: PRTC managed to complete 13 schemes at a cost of Rs.15.560 million. Construction work on the remaining 12 schemes has been suspended after insurance of an expenditure of Rs.7.609 million. These schemes could not be completed as funds allocated for them were diverted to other heads of accounts such as payment of salaries in 1988. As a result of suspension of these 12 development schemes, the expenditure of Rs.7.609 million represents a complete waste.”

26-06-2002: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

3. Para 13: Page 17 - Frequent Issue of Costly Parts Worth Rs.194,511

Audit had observed: “In Punjab Road Transport Corporation, Multan Road Depot, expensive parts were issued to the same buses within a very short interval. The Draft Para was issued to the Government/management in November, 1989. The Management, in their reply of march, 1990, stated that the matter was under investigation by the inquiry officer, Inquiry Report dated February 10, 1990 revealed that the Managing Director PRTC issued orders for suspension, stoppage of increment and issue show cause notices to the accused after proving the fact that workshop authorities failed to control the frequent issue of spare parts in February, 1990. Action has not been taken against any officer/officials so far although a period of two years has elapsed.”

26-06-2002: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

4. Para 14: Page 18 – Purchase of Defective Spare Parts of Buses – Rs.61,184 Un-recovered

Audit had observed: “Punjab Road Transport Corporation, Lahore imported spare parts for its buses through local agents of foreign suppliers during the year 1983-84 and 1984-85 by opening letters of credit in favour of the foreign suppliers. On receipt of spares worth Rs. 437,026 were found to be defective and were either rejected by the Inspection committee or returned by the services to whom these were issued being unfit for use. Out of the rejected spares lying since December 1984, spares valuing Rs.375,842 were subsequently accepted in October 1988 leaving rejected spares worth Rs.61,184. In spite of repeated reminders on June 27, 1989, August 27, 1989, November 22, 1989, January 16, 1990, January 21, 1990, September 30,1990, November 20,1990, December 30, 1990, February 11, 1991 and August 22, 1991 no progress regarding recovery/adjustment of Rs.61,184 was reported to audit.”

26-06-2002: Since the Corporation had already been wound up, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

Revenue Receipts Audit

1. Para 4.1: Page 39 – Non-Realisation of Application/Renewal Fee of Route Permits and Penalty – Rs.97,360

26-06-2002: On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 November 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

Annexure

GOVERNMENT OF THE PUNJAB FINANCE DEPARTMENT

NOTIFICATION

Dated: Lahore the 20 October 2000

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

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

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

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

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

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

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

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

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

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

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

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

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

Dated Lahore the, 20th October 2000

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- 2) All Heads of Departments in the Punjab.
- 3) Secretary, Provincial Assembly of the Punjab, Lahore.

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

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- 5) Director General, Commercial Audit, Lahore.
- 6) Director General, Revenue Receipt Audit, Punjab, Lahore.
- 7) Director General, Accounts (Works), Lahore.

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

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Dated Lahore the, 20th October 2000

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