

# Report(1991-92)

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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 and 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 1991-92 were laid in the Provincial Assembly of the Punjab on 8 December 1994. The Assembly referred the same to Public Accounts Committee-I (PAC-I), for consideration.

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

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 reports in a series of meetings; however, before it could finalize its deliberations, 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 quite a few meetings. 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.

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

8. 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.

9. The Committee decided to finalize the report for the year 1991-92 on the basis of the decisions taken by the earlier PACs, as well as its deliberations on 17-18 and 24-26 June 2002. The Committee, in its meeting on 15 August 2002, approved the Report.

10. 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.

11. 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.

29 August 2002

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

# Abstract

## APPROPRIATION ACCOUNTS

<b>Total Grants</b>	<b>Grants Finally Settled</b>	<b>Grants Settled subject to approval of Excess Budget Statement</b>	<b>Grants Pended</b>
<b>47</b>	<b>8</b>	<b>–</b>	<b>39</b>

## AUDIT PARAS

<b>Total Paras</b>	<b>Paras Noted</b>	<b>Paras Finally Settled</b>	<b>Paras Conditionally Settled</b>	<b>Paras Pended</b>
<b>738</b>	<b>51</b>	<b>151</b>	<b>497</b>	<b>39</b>

# Introduction

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

2. The Provincial Assembly's Public Accounts Committee-I considered the Appropriation Accounts and the Auditor-General's Report on the Accounts (1991-92) of the Government of the Punjab; however, it ceased to function on the suspension of the Assembly on 12 October 1999.

3. To clear the backlog, the *ad hoc* PAC considered the report on the Accounts (1991-92) in its special meetings. Based on the minutes of the meetings of the previous PACs as well as those of the present *ad hoc* PAC, the Report on the Accounts (1991-92) has now been compiled.

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

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

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

**29 August 2002**

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

# Appropriation Accounts

(1991-92)

## Overview

Total No. of Grants	Settled	Pended
47	8	39

## Abstract

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

## 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	Expenditure	Saving/Excess	Remarks
<b>5. Forest</b>	258,943,980	257,199,568	(-) 1,744,412 (0.67%)	Minutes dated 13-7-1995, issued vide No. PAC/Civil/91-92/95/5381 dated 21-9-1995.
<b>12. Jails and Convict Settlements</b>	268,957,790	268,565,862	(-) 391,928 (0.15%)	Minutes dated 10-10-1995, issued vide No. PAC/Civil/91-92/95/737 dated 15-2-1996.
<b>13. Police</b>	3,328,525,090 <b>*3,328,723,140</b>	3,163,400,142 <b>*3,163,400,142</b>	(-) 165,124,948 (4.96%) <b>*(-) 165,322,998</b> (4.97%)	Minutes dated 10-10-1995, issued vide No. PAC/Civil/91-92/95/737 dated 15-2-1996 and Minutes dated 2-8-1999, issued vide No. PAC/Civil/91-92/95/11286 dated 13-10-1999.
<b>15. Education</b>	10,425,092,710	10,135,980,013	(-) 289,112,697 (2.77%)	Minutes dated 8-8-1995, issued vide No. PAC/Civil/91-92/95/5756 dated 4-10-1995.
<b>16. Health Services</b>	2,714,200,010	2,774,292,573	(+) 60,092,563 (2.21%)	Minutes dated 2-11-1998, issued vide No. PAC/Civil/91-92/95/3823 dated 6-1-1999.
<b>19. Fisheries</b>				
48,058,030	48,006,657	(-) 51,373 (0.11%)	Minutes dated 13-7-1995, issued vide No. PAC/Civil/91-92/95/5381 dated 21-9-1995.	
<b>25. Communications</b>	683,580,630	664,613,148	(-) 18,967,482 (2.77%)	Minutes dated 11-7-1995, issued vide No. PAC/Civil/91-92/95/5379 dated 21-9-1995.
<b>33. State Trading in Food Grain &amp; Sugar</b> (c)	573,750,000 <b>*414,918,000</b>	413,981,341 <b>*413,981,341</b>	(-) 159,768,659 (27.85%) <b>*936,659</b> (0.22%)	Minutes dated 11-10-1999, issued vide No. PAC/Civil/91-92/95/12159 dated 23-12-1999.
(v)	11,852,107,310	8,529,993,580	(-) 3,322,113,730 (28.03%)	Minutes dated 11-10-1999, issued vide No. PAC/Civil/91-92/95/12159 dated 23-12-1999.

\*After reconciliation

## TABLE II Grants Pended

## The following Grants were either partly settled/subject to reconciliation, or pended, or not discussed—

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
1. Opium	693,840	693,840	—	Not discussed
2. Land Revenue	267,911,910	247,121,477	(-) 20,790,433 (7.76%)	Not discussed
3. Provincial Excise	31,320,010	28,801,461	(-) 2,518,549 (8.41%)	Not discussed
4. Stamps	15,993,510	15,205,513	(-) 787,997 (4.93%)	Not discussed
6. Registration	6,216,670	6,210,310	(-) 6,360 (0.10%)	Not discussed
7. Charges on account of Motor Vehicles Act	18,618,630	18,164,480	(-) 454,150 (2.44%)	Not discussed
8. Other Taxes and Duties	51,112,390	50,173,890	(-) 938,500 (1.84%)	Partly settled. Minutes dated 11-10-1995, issued vide No. PAC/Civil/91-92/95/6733 dated 12-12-1995.
9. Irrigation and Land Reclamation	2,754,354,510	2,244,099,517	(-) 510,254,993 (18.53%)	Partly settled. Minutes dated 11-10-1995, issued vide No. PAC/Civil/91-92/95/6733 dated 12-12-1995 and Minutes dated 15-2-1999, issued vide No. PAC/Civil/91-92/95/5995 dated 8-4-1999.
10. General Admn. (v)	1,410,141,130	1,080,002,981	(-) 330,138,149 (23.41%)	Partly settled. Minutes dated 8-8-1995, issued vide No. PAC/Civil/91-92/95/5756 dated 4-10-1995, Minutes dated 10-10-95, issued vide No. PAC/Civil/91-92/95/737 dated 15-2-1996, Minutes dated 11-10-1995, issued vide No. PAC/Civil/91-92/95/6733 dated 12-12-1995 and minutes dated 11-10-1999, issued vide No. PAC/Civil/91-92/95/12159 dated 23-12-1999. Minutes dated 11-10-1995, issued vide No. PAC/Civil/91-92/95/6733 dated 12-12-1995 and Minutes dated 8-1-2001, issued vide No. Ad hoc PAC (3)/2000/265 dated 20-1-2001.
(c)	48,546,350	49,380,604	(+) 834,254 (1.72%) (Settled)	
11. Admn. of Justice (c)	80,180,240	80,180,240	—	Not discussed
(v)	215,722,370	219,726,752	(+) 4,004,382 (1.86%)	Not discussed
14. Museums	6,058,290	6,069,126	(+) 10,836 (0.18%)	Not discussed
17. Public Health	111,942,990	112,634,601	(+) 691,611 (0.62%)	Not discussed
18. Agriculture	810,607,050	811,846,080	(+) 1,239,030 (0.15%)	Partly settled. Minutes dated 5-12-1995, issued vide No. PAC/Civil/91-92/95/859 dated 28-2-1996.
20. Veterinary	406,140,790	406,098,283	(-) 42,507 (0.10%)	Not discussed

<b>21. Co-operation</b>	90,821,760	94,341,420	(+) 3,519,660 (3.88%)	Not discussed
<b>22. Industries</b>	104,069,710	100,422,644	(-) 3,647,066 (3.50%)	Not discussed
<b>23. Miscellaneous</b>	291,349,110	286,589,856	(-) 4,759,254 (1.63%)	Partly settled. Minutes dated 13-7-1995, issued vide No. PAC/Civil/91-92/95/5381 dated 21-9-1995.
<b>24. Civil Works</b>	684,842,410	622,902,902	(-) 61,939,508 (9.04%)	Partly settled. Minutes dated 12-7-1995, issued vide No. PAC/Civil/91-92/95/5380 dated 21-9-1995.
(v)	1,234,500	3,767,346	(+) 2,532,846 (205.17%)	Minutes dated 12-7-1995, issued vide No. PAC/Civil/91-92/95/5380 dated 21-9-1995.
(c)	*3,734,500	*3,767,346	*(+) 32,840 (0.88%) (Settled)	
<b>26. Housing &amp; PP</b>	86,109,310	87,839,655	(+) 1,730,345 (2.01%)	Not discussed
<b>27. Relief</b>	20,910,230	20,929,043	(+) 18,813 (0.08%)	Not discussed
<b>28. Pensions</b>	1,993,829,000	2,380,436,367	(+) 386,607,367 (19.39%)	Not discussed
<b>29. Stationery &amp; Printing</b>	66,210	—	(-) 66,210 (100%)	Not discussed
(c)	100,397,110	71,548,390	(-) 28,848,720 (28.73%)	Not discussed
(v)				
<b>30. Subsidies</b>	810,000,000	868,020,157	(+) 58,020,157 (7.16%)	Partly settled. Minutes dated 11-10-1999, issued vide No. PAC/Civil/91-92/95/12159 dated 23-12-1999.
<b>31. Miscellaneous</b>	799,038,080	834,344,113	(+) 35,306,033 (4.42%)	Partly settled. Minutes dated 11-10-1995, issued vide No. PAC/Civil/91-92/95/6733 dated 12-12-1995.
<b>32. Civil Defence</b>	18,654,120	18,768,627	(+) 114,507 (0.61%)	Partly settled. Minutes dated 10-10-1995, issued vide No. PAC/Civil/91-92/95/737 dated 15-2-1995.
<b>34. State Trading in Medical Stores &amp; Coal</b>	319,928,880	91,298,675	(-) 228,630,205 (71.46%)	Partly settled. Minutes dated 2-11-1998, issued vide No. PAC/Civil/91-92/95/3821 dated 6-1-1999.
<b>36. Development</b>	6,242,688,080	6,709,573,496	(+) 466,885,416 (7.47%)	Partly settled. Minutes dated 13-7-1995, issued vide No. PAC/Civil/91-92/95/5381 dated 21-9-1995, Minutes dated 11-10-1995, issued vide No. PAC/Civil/91-92/95/6733 dated 12-12-1995, Minutes dated 5-12-1995, issued vide No. PAC/Civil/91-92/95/859 dated 28-2-1996 and Minutes dated 2-11-1998, issued vide No. PAC/Civil/91-92/95/3821 dated 6-1-1999.
Forest	59,348,000	70,179,260	(+) 11,377,460 (19.17%)	Minutes dated 13-7-1995, issued vide No. PAC/Civil/91-92/95/5381 dated 21-9-1995.
	*58,801,800	*58,941,260	(+) *139,460	

			(0.24%) (Settled)	
<b>37. Irrigation Works</b>	1,197,917,000	1,759,340,906	(+) 561,423,906 (46.86%)	Pended. Minutes dated 15-2-99, issued vide No. PAC/ Civil/91-92/95/6254 dated 21-4-1999.
<b>38. Agriculture Improvement &amp; Research</b>	63,417,980	96,858,990	(+) 33,441,010 (52.73%)	Partly settled. Minutes dated 5-12-1995, issued vide No. PAC/ Civil/91-92/95/859 dated 28-2-1996.
<b>39. Industrial Development</b>	6,600,000	3,500,000	(-) 3,100,000 (46.96%)	Not discussed
<b>40. Town Development</b>	132,100,010	123,315,879	(-) 8,784,131 (6.65%)	Not discussed
<b>41. Roads and Bridges</b>	2,235,300,010	2,364,304,649	(+) 129,004,639 (5.77%)	Partly settled. Minutes dated 11-7-1995, issued vide No. PAC/ Civil/91-92/95/6733 dated 12-12-1995 and Minutes dated 12-7- 1999, issued vide No. PAC/Civil/91-92/95/9745 dated 15-9- 1999.
<b>42. Government Buildings</b>	2,502,448,010	1,614,972,628	(-) 887,475,382 (35.46%)	Pended. Minutes dated 12-7-1995, issued vide No. PAC/ Civil/91-92/95/5380 dated 21-9-1995 and Minutes dated 12-7- 1999, issued vide No. PAC/Civil/91-92/95/11000 dated 5-10- 1999.
<b>43. Loans to Municipalities, Autonomous Bodies</b>	855,467,000	950,986,455	(+) 95,519,455 (11.17%)	Not discussed
<b>Nil. Permanent Debt</b>	(c) 76,140,800	65,346,990	(-) 10,793,810 (14.18%)	Not discussed
<b>Nil. Floating Debt</b>	(c) 8,999,553,200	7,477,816,317	(-) 1,521,736,883 (16.91%)	Partly settled. Minutes dated 11-10-1999, issued vide No. PAC/Civil/91-92/95/12159 dated 23-12-1999.
<b>Nil Repayment of Loans from the Federal Govt.</b>	(c) 843,624,000	842,235,878	(-) 1,388,122 (0.16%)	Not discussed
<b>Nil. Interest on Debt &amp; other obligations</b>	(c) 9,071,128,000	9,130,157,495	(+) 59,029,495 (0.65%)	Not discussed
<b>Nil Government Investment</b>	(v) —	360,000	(+) 360,000 (100%)	Not discussed

\*After reconciliation

# Agriculture Department

## Overview

Total Paras	Civil	Commercial
68	25	43

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  <b>23</b>	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	<b>Commercial:</b> 3(i), 3(ii), 3(iii), 3(iv), 3(v), 3(vi), 3(vii), 16, 18, 19, 22, 23, 25, 26, 28, 29, 32, 33, 36, 37, 39, 40, 44	<b>23</b>
<b>Paras Finally Settled</b>  <b>14</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 1.2, 1.3, 1.5, 1.6, 1.9, 2.3, 2.4, 2.6, 2.8, 2.10, 2.11, 2.12, 2.14, 2.15	<b>14</b>
<b>Paras Conditionally Settled</b>  <b>31</b>	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.	<b>Civil:</b> 1.1, 1.4, 1.7, 1.8, 2.1, 2.2, 2.5, 2.7, 2.9, 2.13, 15.5  <b>Commercial:</b> 7, 8, 9, 10, 11, 17, 20, 21, 24, 27, 30, 31, 34, 35, 38, 41, 42, 43, 45, 46	<b>11</b>  <b>20</b>

**Discussed on 11 October 5 December 1995, 17 and 26 June 2002**

## Civil Audit

### 1. Para 1.1: Page 8 – Expenditure of Rs.508,000 for Purchase of Vehicle Over and Above the

## **Budget Provision and in Violation of PC.I Specification**

Audit had observed: “PC.I of National Oil Seed Development Project provided funds for the purchase of 2 Vehicles for Punjab Seed Corporation, one Suzuki Jeep costing Rs.210,000 (enhanced price) was purchased according to the provided specification and one Rocky Jeep (instead of Suzuki Jeep) costing Rs.598,000 (by conversion of Japanese currency into rupee) was purchased in violation of the provisions of PC.I relating to funds & specification. Thus Rs.508,000 were spent in excess of the budget provision.”

**05-12-1995:** The Department explained that a grant of Rs.11,750,000 was received from the World Bank and out of which an amount of Rs.1,400,000 was put for the purchase of Vehicle.

The expenditure incurred on vehicle was only Rs.598,000. The PAC was not satisfied and observed that Finance Department was the Authority for the allotment of funds whether these were provided by World Bank or Government. The para was kept pending for regularization by Finance Department.

**17-06-2002:** 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 December 1995 by 30 November 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **2. Para 1.2: Page 8 – Outstanding Recovery of Rs.355,890 from Potedar (Tenants)**

Audit had observed: “The amount was found outstanding against the tenants of Chak No.86/9-L upto June, 1991 since long on account of loan given in the shape of pesticides, fertilizers and Government share of green fodder sold to them.”

**05-12-1995:** The Department explained that the full recovery had been effected and got verified from Audit. **The para was settled.**

### **3. Para 1.3: Page 9 – Unauthorised Expenditure of Rs.73,685 in Deviation of PC.I**

Audit had observed: “The project for Agriculture Extension as per approved PC-I was located in the districts of Sahiwal, Multan, Vehari, Bahawalpur, Bahawal Nagar, R.Y. Khan, Sialkot and Gujranwala. The expenditure for demonstration plots was required to be incurred in these districts but in deviation of PC-I expenditure amounting to Rs.73,685 was incurred in the districts not mentioned therein.”

**05-12-1995:** The explanation of the Department was accepted and **the para was settled.**

### **4. Para 1.4: Page 9 – Shortage of Pesticides Valuing Rs.60,315**

Audit had observed: “The pesticides of the stated value were found short on physical verification

by the Extra Assistant Director of Agriculture on 26-9-1988 and were not accounted for in the stock register.”

**05-12-1995:** The Department explained that accused Muhammad Sarwar, Field Assistant was held responsible for the shortage and was removed from service. The Special Judge Anti-Corruption also decided against him. The accused had filed an appeal in the High Court.

The PAC observed that if the High Court did not issue a stay then the Department might proceed for recovery as arrears of land revenue. Again if some dues of culprit were with the Department the same might be adjusted against the recovery and complete the process within 3 months. The para was kept pending.

**17-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **5. Para 1.5: Page 10 – Shortage of Store Articles/Pesticides Worth Rs.48,343**

Audit had observed: “Store articles and pesticides of the stated value were found short in the stock of field assistants but no recovery was effected.”

**05-12-1995:** The Department explained that the entire amount of the para had been recovered and deposited in the Government Treasury. Departmental action had also been completed against the defaulting officials. **The para was settled.**

#### **6. Para 1.6: Page 10 – Non-Accountal of Machinery Units Valuing Rs.47,002**

Audit had observed: “Machinery units (sprayers) of the stated value were issued to the field officers for sale, but neither the sale proceeds were accounted for nor the Machinery units were taken back in the stock.”

**05-12-1995:** It was stated by the Department that they had completed departmental action against the defaulting Field Assistant and his two increments had been stopped. The amount of the para i.e. Rs.47,002.35 had been recovered and the recovery was got verified from Audit. **The para was settled.**

## **7. Para 1.7: Page 11 – Fraudulent Drawal of Rs.43,000 from GP Fund Accounts**

Audit had observed: “The above stated amount was drawn fraudulently by Superintendent, office of the Deputy Director, Agriculture, R.Y.Khan with the help of officers/officials of his office as well as the staff of Distt. Accounts Officer, R.Y.Khan out of G.P.F Account No.RYK/908. The ledger card was changed soon after the drawal of amount.”

**05-12-1995:** The Department explained that an inquiry was conducted in which the accused was exonerated. The conclusion of the inquiry officer was not accepted and a fresh inquiry was ordered which was not yet completed. The same would be completed within 3 months. After the inquiry necessary action would be taken against the official.

The PAC observed that D.A.O was also responsible for the fraudulent drawing of money as he passed the bill and as much he might be proceeded against. The para was kept pending.

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **8. Para 1.8: Page 11 – Overpayment of Rs.32,130 in Fixed T.A.**

Audit had observed: “Fixed T.A @ Rs.70/- P.M admissible to field assistants was enhanced to Rs. 100/- P.M with effect from 1-1-91 Rs.170 P.M (Rs.70+100) instead of Rs.100/- P.M. were paid to 51 field assistants from January, 1991 to September, 1991, causing overpayment to the said extent..”

**05-12-1995:** The Department explained that both the allowances i.e. T & V Allowance (Rs. 70) and fixed T.A. (Rs. 100) were correctly paid under the orders of the Punjab Government. The PAC directed that matter might be referred to the F.D. for clarification. The para was kept pending for the said clarification by Finance Department.

**17-06-2002:** Reiterating the decision of the PAC dated 5 December 1995, **the Committee settled the para** with the direction that further necessary action shall be taken in the light of the clarification issued by the Finance Department. Overpayment, if any, may be recovered and got verified by the Audit. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **9. Para 1.9: Page 12 – Non-production of Original Telephone Bill for Rs.13,000**

Audit had observed: “A telephone bill of office phone for Rs.13,000 was received in November, 1990 which was got split up in two bills i.e. for Rs.7,000 & Rs.6,000 from the telephone department and shown paid to PTC on 25.11.1990 & 22.11.90 respectively. The bills were split up into two. Since both the bills were photo copies, these were not signed by the telephone authorities and bank seal was also not appearing on the same in token of receipt of the stated amount.”

**05-12-1995:** The Department explained that payment of Rs.13,000 was made to PTC for telephone expenditure and this fact had been verified by Audit to their satisfaction. The explanation was accepted and **the para was settled.**

#### **10. Para 2.1: Page 13 – Recovery From Farmers Not Claimed – Loss of Rs.3,075,692**

Audit had observed: “In the office of Water Management Coordinator, Lahore an amount of Rs.3,075,692 was recoverable from farmers despite the lapse of more than seven years on account of their 20-25% share of the total expenditure incurred on the renovation of the water courses for the period from 1981-82 to 1987-88.”

**05-12-1995:** The Department explained that recovery was being pursued and it was a continuous process. The recovery effected was always about 60% of the total recoverable amount.

The Department was directed to keep a close monitoring of the progress of recovery. The para was kept pending for complete recovery. The PAC emphasized the need for prompt recovery as further foreign aid was dependent on the pace of recovery.

**17-06-2002:** 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 December 1995 by 30 November 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 2.2: Page 13 – Loss Due to Less Demand of Recovery of Rs.853,067**

Audit had observed: “The Water Management Coordinator, Lahore prepared a case of recovery as arrears of land revenue of farmers share on renovation of water courses through the District Collector. It was however, noticed that an amount of Rs.853,067 was less calculated on the construction of the water courses during the year 1981-82 to 87-88.”

**05-12-1995:** The Department explained that recovery was being pursued and it was a continuous process. The recovery effected was always about 60% of the total recoverable amount.

The Department was directed to keep a close monitoring of the progress of recovery. The para was kept pending for complete recovery. The PAC emphasized the need for prompt recovery as further foreign aid was dependent on the pace of recovery.

**17-06-2002:** In line with the decision of the PAC dated 5 December 1995, the Committee **settled the para with the direction** that 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.

#### **12. Para 2.3: Page 14 – Shortage of Water Course Material Worth Rs.545,854**

Audit had observed: “Construction material for different water courses valuing Rs.545,854 was shown issued in the main store register but during physical verification by the departmental authorities on 7-9-91, the material for the said amount was not found. In order to conceal the facts the Management made fictitious entries after 7-9-91 (the date of verification) and material was shown issued during 5/91 and 6/91 in water courses-wise registers maintained by the Water Management Specialist, Chotli. These entries were neither verified by the departmental authorities during physical verification of store, nor accepted by audit. As such the entries of construction material for the said amount were not clear.”

**05-12-1995:** The Department explained that all the relevant record had been got verified by Audit. **The para was settled.**

#### **13. Para 2.4: Page 14 – Non-Recovery of Material Valuing Rs.168,355**

Audit had observed: “The material for construction of water courses valuing Rs.168,355 was rendered surplus after their completion during the year 1987-88 and 1988-89 but neither the material nor its cost was recovered from the staff due to their transfer to other stations.”

**05-12-1995:** The Department explained that actual amount was Rs.128,502 and not Rs.168,355 as pointed out by Audit. The recovery had since been effected and got verified by Audit. **The para was settled.**

#### **14. Para 2.5: Page 15 – Non-Accountal of Material – Rs.133,711**

Audit had observed: “In the office of the Water Management Coordinator, Lahore material

valuing Rs.133,711 was issued for renovation of water courses in excess of requirement. The surplus material was neither returned after completion of the work on the water courses nor handed over to the Relieving Officer when the executing office was transferred to another office. Audit apprehends that the material in question has been received back but not accounted for.”

**05-12-1995: The para was settled subject to verification of relevant record by Audit.**

**15. Para 2.6: Page 15 – Non-Accountal of Material – Rs.128,312**

Audit had observed: “In the office of Water Management Coordinator, DG Khan surplus material amounting to Rs.128,312 was found to have not been returned to the main store and taken on stock even after a lapse of one year. It was apprehended that the material had been received back and not accounted for.”

**05-12-1995:** The Department explained that recovery has been effected and accountal of material was got verified by Audit. **The para was settled.**

**16. Para 2.7: Page 16 – Overpayment of Rs.116,926 Due to Change in Rates of Quotations and Comparative Statements**

Audit had observed: “The purchase of bricks was made for Rs.116,926 but the rates noted in quotations and comparative statements of the field teams of water management specialists, Haroonabad, Vehari, Pattoki and MD Singh were changed/overwritten in contravention of the provisions of para No.13 & 14 (ii) (F) and 19 (V) of Purchase Manual Government of Punjab.”

**05-12-1995: The para was settled subject to verification of relevant record by Audit.**

**17. Para 2.8: Page 16 – Doubtful Payment of Rs.91,564 for the Purchase of Sand**

Audit had observed: “The sand for stated amount for use in construction of water courses was purchased. The cheques amounting to Rs.91,564 in payment were received by a supervisor instead of M/s Dial Building Material Store, Railway Road, Chak Jhumra, which denotes that the supervisor himself was the supplier.”

**05-12-1995:** The Department explained that relevant record had been got verified by Audit. **The para was settled.**

**18. Para 2.9: Page 17 – Fictitious Receipt Back of Water Course Material Amounting to Rs.78,395**

Audit had observed: “Construction material i.e. cement, sand and bricks costing Rs.78,395 pertaining to the offices of Water Management Specialist, Kasur, Sheikhpura and Nankana Sahib under the control of Water Management Coordinator, Lahore was issued in excess of actual requirement in violation of clause 4 of para 15.21 of P.F. R Vol. I. The material remained unattended at site for a considerable time after the completion of water courses in question, and thereafter shown received back and issued to other work. In the intervening process the cement lost

its strength and the sand lost its quantity in shifting. The shifting of the said material to other water courses was reportedly made to achieve the benefit of prescribed maximum consumption limit allowed on other water courses. It was also noticed during the course of verification of advance para that the quantity of construction material shifted to the other water courses also remained surplus on those water courses substantiating contention of audit that material was suspected to have not been accounted for. Moreover the completion reports of water course so far completed and the works for which the above material was issued have not been produced to audit uptill now after necessary verification by NESPAK.”

**05-12-1995:** It was explained by the Department that the quantity of cement in question had been utilized on other water courses and the consumption of which had also been verified by Audit and NESPAK Engineer.

The PAC directed the Administrative Secretary to look into the matter personally to see whether there was any lacuna in the system and how recurrence of such irregularities can be avoided. The inquiry be completed. The para was kept pending.

**17-06-2002:** Pursuant to the directive of the PAC dated 5 December 1995, **the Committee settled the para with 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.

### **19. Para 2.10: Page 18 – Non-Deposit of Rs.77,877 in Treasury**

Audit had observed: “A Supervisor collected 20% recovery from the various farmers of the Khal Committees during 1988-89 and 89-90 to the tune of Rs.77,877 and did not deposit in Government treasury.”

**05-12-1995:** The Department explained that the official responsible for the embezzlement of Government collection from the farmers was proceeded against under E & D Rules and has been dismissed from service. The amount of the para had been recovered from him. The recovery effected and was also got verified by Audit. **The para was settled.**

### **20. Para 2.11: Page 18 – Overpayment on Account of Variation in Rates Amounting to Rs.69,090**

Audit had observed: “Tender enquiry for bricks and sand were accepted at different rates in same village for the same period for construction of water courses and this resulted in over payment of Rs.69,090 in violation of Rule 2.10(a) (i) of PFR Vol.I.”

**05-12-1995:** The explanation of the Department was accepted and the **para was settled.**

## **21. Para 2.12: Page 19 – Undue Financial Benefit to the Supplier of Bricks – Recovery of Rs.65,104**

Audit had observed: “The rates of tenders floated in daily newspaper already accepted were enhanced through fresh tender enquiry which was for two months only without any cogent reasons. This was done to give undue benefit to the supplier for Rs.65,104 in contravention of the agreement entered into with the firms in violation of para 51 of Purchase Manual, Government of Punjab.”

**05-12-1995:** It was explained by the Department since it was the first year of the scheme at Mandi Dhaban Singh, therefore, in order to avoid delay in the start of Development Work the Purchase Committee approved the rates received from the supplier for a period of two months. The position had also been verified by Audit and found justified. The explanation was accepted and **the para was settled.**

## **22. Para 2.13: Page 19 – Shortage of Machinery and Equipment Valuing Rs.41,320**

Audit had observed: “Machinery and equipment valuing Rs.41,320 was found short in permanent stock register. The machinery and equipment was neither returned nor its cost recovered from the defaulter in violation of Rule 15.6 of P.F.R. Vol.I.”

**05-12-1995:** It was explained by the Department that the defaulting officer Mr. Muhammad Nasir, Water Management Officer, had been proceeded against under the E & D Rules 1975, to recover the amount due from him on account of shortage of machinery/equipment valuing Rs.41,320. The case was under process with the Authority for final decision.

The PAC directed the Department to complete the recovery from the defaulter and departmental action against him within 2 months. The para was kept pending.

**17-06-2002:** 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 December 1995 by 30 November 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 2.14: Page 20 – Doubtful Consumption of Construction Material Valuing Rs.25,962**

Audit had observed: “Water course construction material valuing Rs.25,962 was issued to the field officers during 1987-88 but completion reports of the water courses were neither got checked by audit, nor prepared despite lapse of more than four years. The construction material of the stated amount was not consumed on the water courses and has been misappropriated. This is in violation of

Rule 15.1 of PFR Vol.I.”

**05-12-1995:** It was explained by the Department that the defaulting official had been proceeded against under E & D Rules and had been removed from service and recovery had also been effected. The explanation of the Department was accepted and **the para was settled.**

#### **24. Para 2.15: Page 20 – Non-Replacement of Nakkas Valuing Rs.18,067**

Audit had observed: “The loss of 205 nakkas valuing Rs.18,067 was reported through audit relating to the Water Management Specialists, Pakpattan, Okara and Chichawatni. The matter regarding loss of these nakkas was discussed in DAC meeting held at Sahiwal on 14-3-91 and special DAC meeting at Lahore on 13-5-91 wherein it was informed that defective nakkas had been replaced accordingly. The para was settled but during physical verification by audit in the next audit it was found that no replacement was made.”

**5-12-1995:** The Department explained that recovery of Rs.18,067 had been effected and got verified by Audit. **The para was settled.**

#### **25. Para 15.5: Page 150-151 – Suspected Misappropriation of 145 Nakkas Valuing Rs.20,594**

Audit had observed: “A number of 145 Nakkas valuing Rs.20,594 were not accounted for by the recipient in the main store/stock register in contravention of Rule 15.4 of PFR Vol.I.”

The para was originally reflected under Irrigation and Power Department. However, the PAC in its meeting dated 11 October 1995 dropped the para from Irrigation Department and transferred it to the Agriculture Department.

**11-10-1995:** The Department explained that this para related to the Agriculture Department and had since been transferred to the said Department. As such the para was deleted from here.

**17-06-2002:** The Committee considered the facts of the case and **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.

## **Commercial Audit**

### **1. Para 3: Page 5 – Non-Compilation of Accounts**

- (i) Agricultural Engineering, D.G. Khan Division, D.G.Khan 1991-92
- (ii) Agricultural Engineering, Faisalabad Division, Faisalabad 1991-92
- (iii) Agricultural Engineering, Gujranwala Division, Gujranwala 1991-92
- (iv) Agricultural Engineering, Jhelum Division, Jhelum 1990-91 to 1991-92
- (v) Agricultural Engineering, Lahore Division, Lahore 1991-92
- (vi) Agricultural Engineering, Rawalpindi Division, Rawalpindi 1991-92

(vii) Agricultural Engineering, Sargodha Division, Sargodha 1991-92

**26-06-2002: The PAC noted** the contents of the Audit para and directed that the Department shall 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 7: Page 13 – Misappropriation/Irregularities Involving Rs.4.002 Million**

**3. Para 8: Page 14 – Non-Recovery of Rs.3.113 Million on Account of Irregular Credit Sale and Interest Accrued Thereon**

**4. Para 9: Page 14-15 – Sale Price of Pesticide Not Recovered – Rs.979,000**

**5. Para 10: Page 15-16 – on-Recovery of Rs.10.232 Million From Punjab Agricultural Development and Supplies Corporation**

**26-06-2002:** Since the Punjab Agricultural Development and Supplies Corporation had already been wound up, **the Committee settled the paras mentioned at Sr.No.2 to 5 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.

**6. Para 11: Page 16 – Loss of Rs.752,643 Due to Misappropriation of Cloth and Gunny Bags**

Audit had observed: “In Punjab Seed Corporation Centre, Multan, a shortage of 84,942 empty gunny and cloth bags valuing Rs.752,543 was detected on January 1, 1988, by the stock-taking team of the organization. No departmental enquiry was conducted to fix responsibility and for making good the loss.”

**26-06-2002:** 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 30 November 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 16: Page 23 – Working Results of Agricultural Engineering, Bahawalpur Division, Bahawalpur for the Years 1990-91 and 1991-92**

**26-06-2002:** The Committee **noted** the working results.

#### **8. Para 17: Page 24 – Excess Drawal of Subsidy Income – Rs.44.582 Million**

Audit had observed: “The Division gave subsidy on bulldozers for agriculture work till the year 1989-90 on full hiring rates which was the difference of full rates and subsidized rates. In the year 1990-91 the Division changed its accounting policy and accordingly the subsidy was provided on commercial rates i.e. on hiring rates for non-agriculture work. Subsidy income from bulldozers on the basis of full rates and commercial rates worked out to be Rs.8.512 million and Rs.33.077 million respectively during the year 1990-91 and Rs.7.832 million and Rs.27.849 million respectively during the year 1991-92. Hence subsidy income to the extent of Rs.24.565 million in 1990-91 and Rs.20.017 million in 1991-92 were claimed in excess and accounted for in the respective year’s accounts. Had the accounting policy been consistent and not changed, the Division would have sustained loss of Rs.7.447 million in 1990-91 and Rs.10.738 million in 1991-92 instead of profits of Rs.17.118 million and Rs.9.279 million respectively. This aspect of change of policy in accounting is required to be justified.”

**26-06-2002:** The Committee **settled the para with the direction** that the Finance Department and the Administrative Department shall resolve the issue at the earliest.

#### **9. Para 18: Page 24 – Doubtful Accounts of Commercial Books**

Audit had observed: “The Division has not so far maintained commercial books of account like journal vouchers, general ledger and subsidiary ledgers. The accounts for the year under review have been prepared with the help of various statements and returns. Hence authenticity of the figures appearing in the said accounts is doubtful. Maintenance of commercial books of account is stressed upon the Management.”

**26-06-2002:** The Committee **noted** the para as it had already forwarded its recommendations to the Finance Department with reference to the Report of the PAC for the year 1996-97.

#### **10. Para 19: Page 25 – Working Results of Agricultural Engineering, D.G. Khan Division, D.G. Khan for the Year 1990-91**

**26-06-2002:** The Committee **noted** the working results.

#### **11. Para 20: Page 26 – Doubtful Transfer of Stores Valuing Rs.1,123,063**

Audit had observed: “Stores of Rs.558,818 and Rs.564,445 were received and transferred from and to other divisions but no statement showing the name of the Division was prepared, in the absence of which the receipt and transfer of stores to the respective divisions could not be counter checked. The omission needs to be rectified.”

**26-06-2002:** 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 taken shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**12. Para 21: Page 26 – Statement of Expenditure Not Sent to DAO**

Audit had observed: “The figures of expenditure appearing in the accounts were not sent to the respective District accounts officers. The needful may be done now.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**13. Para 22: Page 26 – Doubtful Statement of Accounts**

Audit had observed: “The accounts were prepared from different statement and returns as no books of account were maintained on commercial pattern. The accuracy of accounts is therefore open to doubt. The matter is again brought to notice.”

**26-06-2002:** The Committee **noted** the para as it had already forwarded its recommendations to the Finance Department with reference to the Report of the PAC for the year 1996-97.

**14. Para 23: Page 27 – Working Results of Agricultural Engineering, Multan Division, Multan for the Year 1990-91 and 1991-92**

**26-06-2002:** The Committee **noted** the working results.

**15. Para 24: Page 28 – Non-Maintenance of Accounts by AE Multan Division – Rs.(12,140 +88,176)=90,316**

Audit had observed: “(i) As per accounts of Agricultural Engineering Bahawalpur Division, for the year 1990-91 spare parts valuing Rs.693,115 and POL valuing Rs.13,384 was issued to AE Multan Division but accounts of the Division showed receipt of spare parts valuing Rs.562,218 and POL of Rs.19,701. In the same year receipt of spare parts valuing Rs.88,176 was shown by Bahawalpur Division but accounts of AE Multan Division did not show any issue.(ii) Like-wise the accounts of AE Bahawalpur for the year 1991-92 showed issue of boring material valuing Rs.53,333 and POL valuing Rs.24,280 but the accounts of AE Multan Division only showed receipt of POL

valuing Rs.12,140. Therefore, issue and receipt of stores and spares during the year 1990-91 and 1991-92 may be reconciled with Bahawalpur and other Divisions and necessary adjustments made in subsequent years accounts.”

**26-06-2002:** 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 taken shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **16. Para 25: Page 28 – Non-Maintenance of Books of Accounts**

Audit had observed: “The Division has not so far prepared books of account like general ledger, journal vouchers and subsidiary ledgers. The Accounts for the years under review have been prepared with the help of various statements and returns. Hence authenticity of the figures appearing in these accounts is doubtful. The preparation of books of account on commercial pattern is again stressed upon the Management.”

**26-06-2002:** The Committee **noted** the para as it had already forwarded its recommendations to the Finance Department with reference to the Report of the PAC for the year 1996-97.

#### **17. Para 26: Page 29 – Working Results of Agricultural Engineering, Faisalabad Division, Faisalabad for the Year 1990-91**

**26-06-2002:** The Committee **noted** the working results.

#### **18. Para 27: Page 29 – Doubtful Transfer of Stores Valuing Rs.4,058,258**

Audit had observed: “Stores of Rs.140,104 and Rs.3,918,154 were received and transferred from/to other divisions during the year 1990-91 but no acknowledgement/confirmation was obtained from the recipient divisions in the proforma devised by Audit and circulated to all Agricultural Engineering Divisions.”

**26-06-2002:** 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 taken shall be completed, and reported to the Finance Department and the

Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **19. Para 28: Page 30 – Doubtful Preparation of Statement of Accounts**

Audit had observed: “As repeatedly pointed out, the accounts have been prepared from various statements and returns. As such the authenticity of these accounts is doubtful. Necessity of maintenance of books on commercial pattern is stressed upon the Management.”

**26-06-2002:** The Committee **noted** the para as it had already forwarded its recommendations to the Finance Department with reference to the Report of the PAC for the year 1996-97.

### **20. Para 29: Page 31 – Working Results of Agricultural Engineering, Gujranwala Division, Gujranwala for the Year 1990-91**

**26-06-2002:** The Committee **noted** the working results.

### **21. Para 30: Page 32 – Non-Recovery of Rs.76,785**

Audit had observed: “A sum of Rs.76,785 was outstanding against various parties on June 30, 1991 which could not be recovered from the last so many years. This outstanding amount may be recovered with interest from the parties concerned.”

**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.

### **22. Para 31: Page 32 – Provision of Benefits on Ad hoc Basis**

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

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **23. Para 32: Page 32 – Non-Maintenance of Ledgers of Accounts**

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. Preparation of these books of account and accordingly proper accounts be maintained is stressed upon the Management.”

**26-06-2002:** The Committee **noted** the para as it had already forwarded its recommendations to the Finance Department with reference to the Report of the PAC for the year 1996-97.

### **24. Para 33: Page 33 – Working Results of Agricultural Engineering, Rawalpindi Division, Rawalpindi for the Year 1990-91**

**26-06-2002:** The Committee **noted** the working results.

### **25. Para 34: Page 34 – Non-Accountal of Income on Cash Receipts and Subsidy**

Audit had observed: “The income has been accounted for on the basis of cash received from the Zamindars. Whereas the hire charges of machines should have been calculated on the basis of the subsidy worked out on the basis of actual hours worked out by the machines. The accountal of income on cash receipt basis and subsidy on accrual basis is against the accounting principles. So it is stressed upon the Management that the accrual of income and subsidy be maintained on one consistent principle.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **26. Para 35: Page 34 – Recovery Registers Not Provided to Audit**

Audit had observed: “The Recovery Registers showing the cost of shortages recoverable from the employees were not produced on demand. However, it has been confirmed from subsidiary records that the cost of different shortages were still recoverable. It was, however, noticed that the

recoverable balances were not shown in the Balance Sheet in the absence of which the accounts were incorrect to that extent. The omission may be rectified now.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**27. Para 36: Page 34 – Non-Maintenance of Books of Accounts**

Audit had observed: “The books of account have not been maintained on commercial pattern as yet. The accounts were prepared from different statement and returns. The authenticity of the accounts is therefore doubtful. The needful may be done now.”

**26-06-2002:** The Committee **noted** the para as it had already forwarded its recommendations to the Finance Department with reference to the Report of the PAC for the year 1996-97.

**28. Para 37: Page 35 – Working Results of Agricultural Engineering, Sargodha Division, Sargodha for the Year 1990-91**

**26-06-2002:** The Committee **noted** the working results.

**29. Para 38: Page 35 – Consolidated Asset Register Not Maintained**

Audit had observed: “As already pointed out the consolidated Asset Register showing the historical cost of each asset, their date of acquisition, depreciation charged during the year, accumulated depreciation and written down value has not been maintained.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**30. Para 39: Page 35 – Non-Maintenance of Books of Accounts**

Audit had observed: “No books of account on commercial pattern have been maintained. The accounts have been prepared from various statement and returns. The authenticity of accounts is

therefore open to doubt. Necessity of maintaining accounts on commercial pattern is again stressed.”

**26-06-2002:** The Committee **noted** the para as it had already forwarded its recommendations to the Finance Department with reference to the Report of the PAC for the year 1996-97.

**31. Para 40: Page 36 – Working Results of Punjab Agricultural Development and Supplies Corporation for the Years 1990-91 and 1991-92**

**26-06-2002:** The Committee **noted** the working results.

**32. Paras 41: Page 37 – Accounts Show Old Receivables**

Audit had observed: “Although the accounts receivable decreased from Rs.25.590 million on June 30, 1990 to Rs.20.395 million on June 30, 1991 and Rs.113.120 million on June 30, 1992 yet it contained petty old dues pertaining to the years 1981-92. Early recovery of receivables particularly old dues is stressed upon the Management.”

**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.

**33. Para 42: Page 37 – Non-Investigation of Losses**

Audit had observed: “No efforts were found to have been made to investigate the losses and fix responsibility. Early investigation of losses and taking appropriate action for their recovery/write off is stressed upon the Management.”

**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.

**34. Para 43: Page 37 – Non-Recovery of Accumulated Losses**

Audit had observed: “The Corporation had decreased the accumulated losses from Rs.1311.361

million on June 30, 1990 to Rs.325.543 million on June 30, 1991 by crediting Rs.1024.810 million to accumulated losses and debiting Rs.43.670 million to Price Equalization Fund and Rs.581.140 million to interest recoverable from Federal Government on the plea that national provisions of these adjustments were made in their books of account on account of price differential cost and mark up payable by Federal Government to Punjab Government from 1974-75 to 1989-90 on the understanding that the same would be recouped/reimbursed by the Federal Government. Since the Audit did not agree to the above adjustment unless the claims were accepted/paid by the Federal Government, the Corporation, therefore, reversed the above adjustment in the accounts for the year 1991-92 due to which the accumulated losses rose to Rs.1365.715 million on June 30, 1992. The Corporation, is therefore, advised to take up the matter with the higher authorities in order to resolve the issue of incidentals. It may also be emphasized that in future notional adjustments may be avoided to show the true position of Accounts of the Corporation”

**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.

**35. Para 44: Page 38 – Working Results of Punjab Seed Corporation, Lahore for the Year 1991-92**

**26-06-2002:** The Committee **noted** the working results.

**36. Para 45: Page 38 – Year Wise Details of Trade Debts Not Provided**

Audit had observed: “Trade debts increased from Rs.11.501 million on June 30, 1991 to Rs.12.077 million on June 30, 1992. No year-wise details of trade debts were provided to Audit, in the absence of which the prospects of recovery could not be ascertained. Necessity for preparation of year-wise analysis and recovery of trade debts is stressed upon the Management.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**37. Para 46: Page 38 – Recoveries Not Made – Rs.18.770 Million**

Audit had observed: “Other receivables increased from Rs.16.625 million in 1990-91 to Rs.18.770 million in 1991-92. Steps need to be taken to recover the outstanding balances.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

# Board of Revenue

## Overview

<b>Total Paras</b>	<b>Civil</b>
<b>3</b>	<b>3</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Conditionally Settled</b>  <b>2</b>	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.	<b>Civil:</b> 3.1, 3.3	<b>2</b>
<b>Paras Pended</b>  <b>1</b>	The para was pended as the Department had not submitted the working paper.	<b>Civil:</b> 3.2	<b>1</b>

**Discussed on 17 June 2002**

## Civil Audit

- Para 3.1: Page 21 – Non-Accountal of Pay and Allowances for Rs.765,211**

Audit had observed: “As laid down in rule 2.2 of P.F.R Vol. I all cash transactions should be entered in the cash book as soon as they occur and attested in token of check. Contrary to it, a sum of Rs.765,211 drawn from the Distt. Accounts Office on account of pay & allowances of patwaries was neither entered in cash book on receipt side nor shown paid on the payment side.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**2. Para 3.2: Page 21 – Non-Accountal of Lease Money Rs.682,900**

Audit had observed: “200 acres of agricultural land were allotted for the construction of district offices. About 62 acres (out of this) unutilized for the purposes were given on lease for Rs.236,500 in 1988-89. The same were also given on lease at the rate of Rs.3600/- per acre during the years 1989-90 and 1990-91. As such the total lease money works out to Rs.682,900 which was neither accounted for in the cash book nor deposited into Government Treasury.”

**17-06-2002:** On consideration of the facts of the case, the Committee directed that the Department shall inquire into the matter and shall **submit the working paper** based on the said inquiry with Audit comments by 30 November 2002 for consideration by the PAC.

**3. Para 3.3: Page 22 – Expenditure of Rs.54,950 Over and Above the Prescribed Limit of Telephone Calls.**

Audit had observed: “The monthly limit of 900 calls fixed by the Govt. of Punjab, the Finance Department vide No.S.O.(P.W-I)2-1/Tele/82 (Provl.), dated 4.9.85 & even No. Dated 10.7.88 with regard to the residential telephone was not kept in view.”

**17-06-2002:** 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.

# Communications and Works Department

## Overview

Total Paras	Civil	Works
163	1	162

## Abstract

Status	Decision	Para Nos.	Total
Paras Finally Settled  26	Paras finally settled as the requisite action had been taken.	<b>Works:</b> <b>Buildings:</b> I-A-1, I-A-2, I-A-3, I-A-4, I-A-5, I-A-6, I-A-12, I-A-13, I-A-14, I-B-2, I-B-4, I-B-5, I-B-6, I-B-7, I-C-1, I-C-2, I-E-1, II-A-3, II-A-4, II-B-1, III-B-1, III-C-1, IV-1, IV-2	24
		<b>Highways:</b> I-A-3, III-D-1	2
Paras Conditionally Settled  126	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.	<b>Civil:</b> 4.1	1
		<b>Works:</b> <b>Buildings:</b> I-A-7, I-A-8, I-A-10, I-A-11, II-A-2, II-B-2, I-A-8, I-A-9, I-B-1, I-B-3, I-B-8, I-C-3, I-D-1, I-D-2, I-D-3, I-F-1, I-F-2, II-A-1, II-A-5, II-A-6, III-A-1	21
		<b>Highways:</b> I-A-4, I-A-6, I-A-7, I-B-1, I-B-2, I-B-3, I-F-3, II-A-8, II-B-1, II-B-3, II-C-2, II-D-1, II-E-1, III-C-1, III-C-2, III-D-2, III-G-1, VI-B-1, I-A-5, I-A-8, I-A-9, I-A-10, I-A-11, I-A-12, I-A-13, I-A-14, I-A-15, I-A-16, I-A-17, I-A-18, I-A-19, I-A-20, I-A-21, I-A-22, I-B-4, I-B-5, I-B-6, I-C-1, I-C-2, I-C-3, I-C-4, I-C-5, I-C-6, I-D-1, I-D-2, I-D-3, I-D-4, I-D-5, I-E-1, I-E-2, I-F-1, I-F-2, II-A-4, II-A-5, II-A-7, II-A-9, II-A-10, II-A-11, II-B-2, II-B-4, II-B-5, II-B-6, II-C-3, II-C-4, II-C-5, II-D-2, II-D-3, III-A-1, III-A-2, III-A-3, III-A-4, III-A-5, III-A-6, III-B-1, III-B-2, III-B-3, III-C-3, III-C-4, III-C-5, III-D-3, III-E-1, 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, V-A-1, V-A-2, V-B-1, V-C-1, VI-B-2, VI-B-3, VII-1, VII-2, VII-3	104
<b>Paras Pended</b>	Paras pended as the Department had not taken satisfactory action.	<b>Works:</b> <b>Buildings:</b> III-A-2	1

**11****Highways: II-A-1, II-A-2, II-A-3, II-A-6, II-C-1, III-F-1, V-A-3, V-A-4, V-D-1, VI-A-1****10****Discussed on 11-12 July 1995, 6 December 1995, 12-13 July 1999,****17-18 June and 15 August 2002**

## **Buildings Department**

### **Civil Audit**

#### **1. Para 4.1: Page 23 – Non-Disbursement of Pay – Rs.75,566**

Audit had observed: “The amount drawn from the Distt. Accounts office on 2.5.1988 was stated to have been looted from the cashier and F.I.R lodged with the police on the same date. No progress towards recovery thereof has so far been reported.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **Works Audit**

#### **1. Para I-A-1: Page 19 – Excessive Measurements – Rs.39,689**

Audit had observed: “The division measured and paid the item of wet sinking from natural surface level (NSL) instead of from spring level as prescribed in the Composite Schedule of Rates (CSR), 1979 vide item No.3 page 179. This resulted in an over payment of Rs.39,689 in October, 1991.”

**12-07-1995:** The Department assured the Committee to recover the amount of Rs.39,689 within three months. The para was kept pending.

**12-07-1999:** The Department explained that the amount of Rs.39,689 had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

#### **2. Para I-A-2: Pages 19-20 – Excessive Measurements – Rs.21,466**

Audit had observed: “While calculating the contents of the area of cement concrete, the division made incorrect measurements and paid a quantity of 2080.30 square feet (sft) instead of 1221.65 sft which resulted in an overpayment of Rs.21,466 to a contractor in 1991.”

**12-07-1995:** The recovery of Rs. 21,466 had been verified by Audit. **The para was settled.**

### **3. Para I-A-3: Page 20 – Excessive Measurements – Rs.18,801**

Audit had observed: “The division paid a quantity of 3123 K.G.steel instead of the admissible quantity of 1938.22 K.G. worked out on the basis of actual consumption as per drawing. Incorrect calculation of the quantity of steel resulted in an overpayment of Rs.18,801 to a contractor in 1991.”

**12-07-1995:** The recovery had been effected and verified by Audit. **The para was settled.**

### **4. Para I-A-4: Page 20 – Excessive Measurements – Rs.86,328**

Audit had observed: “The division measured brick masonry in ground floor for five quarters instead of four and measured the partition wall twice which resulted in an overpayment of Rs.86,328 in January, 1992.”

**12-07-1995:** As full recovery had been effected and verified by Audit, **the para was settled.**

### **5. Para I-A-5: Page 20-21 – Excessive Measurements – Rs.25,780**

Audit had observed: “The division recorded and paid plinth level for 4 feet and 4-1/2 inch instead of the admissible plinth level of 3 feet and 6 inch sanctioned in the technical estimate without recording exact natural surface level in the measurement book as per instructions printed in the measurement books. Excessive measurement of plinth level resulted in an excess quantity of earth filling leading to an overpayment of Rs.25,780 in December, 1990.”

**12-07-1995:** The para was settled subject to verification of the recovery of Rs.27,239 and the relevant record by Audit.

**12-07-1999:** The Department explained that the amount involved had since been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

### **6. Para I-A-6: Page 21 – Excessive Measurements – Rs.32,486**

Audit had observed: “The division executed an item of earth excavation in foundation and recorded excessive measurement of depth and height of foundation and walls in violation of the approved drawings and design and specification. This resulted in an excess payment of Rs.32,486 in June, 1992.”

**06-12-1995:** There was discrepancy between the Department's written and oral explanation. In the working paper the Department had stated that the excess occurred due to change of depth of foundation from 2' to 3' as per site requirement but their oral explanation was that the figure "2" was erroneously typed by the typist whereas actually it was "3". Finance Department stated, it appeared, that originally the provision for depth had been "2" but according to requirement it was changed to "3". Probably, this was the reason that the Technical Sanction was revised in 1995 although work had been completed in 1989.

The Public Accounts Committee took serious notice of the discrepancy in the Department's written and oral explanation and directed the Administrative Secretary to ensure that, in future, faulty explanations were not placed before the Public Accounts Committee. However, the oral explanation was accepted and subject to verification of the recovery of Rs.2,093 by Audit, the para was settled.

**13-07-1999:** The Department explained that the recoverable amount had since been made good and got verified by Audit. The PAC accepted the explanation and **settled the para.**

#### **7. Para I-A-7: Pages 21-22 – Excessive Measurements – Rs.30,867**

Audit had observed: "The division laid reinforced cement concrete (RCC) pipe without recording exact locations in the measurement book and made measurement of the RCC pipe more than the length of the excavated trench. This resulted in an excess payment of Rs.30,867 in August, 1991."

**06-12-1995:** The Department explained that as per comparative statement and T.S, it was quite clear that length of excavation was more than the length of the RCC 9" pipe laid at site. Subject to verification of record by Audit, within one month, the para was settled.

**13-07-1999:** The Department explained that as per directive of PAC dated 6-12-1995 the relevant record had been got verified by Audit and the Audit had accepted the position explained by The Department. **The PAC settled the para subject to verification of record by Audit.**

#### **8. Para I-A-8: Page 22 – Excessive Measurements – Rs.159,462**

Audit had observed: "The division measured and paid an item of sterling door leaves including the thickness of chowkats, which had already been measured and paid separately as a schedule item. Incorrect measurements resulted in an overpayment of Rs.159,462 in January 1992."

**12-07-1995:** The Department informed the Committee that Overpayment of Rs.159,462.25 had been recovered and verified by Audit. The Audit, anyhow, demanded that final bill should be produced to them for verification.

The Committee settled the para subject to verification of the final bill by Audit and directed the Department to enquire that whether or not any *mala fide* was involved in this Overpayment.

**12-07-1999:** The Department explained that final bill was being produced to Audit for verification. Also inquiry under E&D Rules had been initiated against the officer concerned who did not produce the final bill to Audit for verification for the last four years.

The PAC directed the Department to produce the final bill to Audit for verification at the

earliest and action against the officer who did not arrange the verification of final bill by Audit so far may be finalized under intimation to PAC. The para was kept pending.

**18-06-2002:** 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 12 July 1999 by 30 November 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 I-A-9: Page 22 – Excessive Measurements – Rs.36,039**

Audit had observed: “The division measured and paid an item of sterling door leaves including the thickness of chowkat which had already been paid separately as a schedule item. This resulted in an overpayment of Rs.36,039 to contractor in December 1991.”

**06-12-1995:** The Committee was informed that double payment had been made due to wrong measurement of executed work. The Department explained that recovery of the full amount had been effected.

The PAC expressed their displeasure regarding simple recovery by the Department. The PAC directed that disciplinary action should be taken against the D.D.O who was responsible for the double payment within two months. The para was kept pending.

**13-07-1999:** The Department explained that an inquiry was being conducted for the purpose of disciplinary action against the defaulter.

The PAC directed that inquiry may be completed within six months. Responsibility may be fixed and action may be taken against the defaulter in accordance with the findings of the inquiry. The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 13 July 1999 by 30 November 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 I-A-10: Page 22-23 – Excessive Measurements – Rs.163,342**

Audit had observed: “The division measured and paid an item of sterling door leaves including the thickness of chowkat which had already been paid separately as a schedule item. This resulted in an overpayment of Rs.163,342 in June, 1989 and August, September, 1991.”

**13-07-1999:** The Department explained that recovery of overpaid amount had since been effected.

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

**11. Para I-A-11: Page 23 – Excessive Measurements – Rs.18,497**

Audit had observed: “The division measured and paid an item of sterling door leaves including the thickness of chowkat which had already been paid separately as a schedule item. This resulted in overpayment of Rs.18,497 in October 1990 and June, 1991.”

**13-07-1999:** The Department explained that full recovery of Rs.18,497 had been effected. **The PAC settled the para subject to verification of full recovery by Audit.**

**12. Para I-A-12: Page 23 – Excessive Measurements – Rs.40,077**

Audit had observed: “The division measured and paid an item of sterling door leaves including the thickness of chowkat which had already been paid separately as a schedule item. This resulted in an over payment of Rs.40,077 to a contractor in March and August, 1992.”

**13-07-1999:** The Department explained that full recovery had been made and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**13. Para I-A-13: Pages 23-24 – Excessive Measurements – Rs.31,361**

Audit had observed: “The division measured and paid an item of sterling door leaves including the thickness of chowkat which had already been paid separately as a schedule item. This resulted in an overpayment of Rs.31,361 to contractors in March & September, 1991.”

**13-07-1999:** The Department explained that full recovery of Rs.31,361 had been effected from the contractor and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**14. Para I-A-14: Page 24 – Excessive Measurements – Rs.26,559**

Audit had observed: “The division made payment of mild steel bars with spacers as an additional item after making its entry in between the lines of the measurement book. Unauthorised entries resulted in an excess payment of Rs.26,559 in June, 1991.”

**06-12-1995:** The Audit objection was that unauthorized entries had been made in the MB which resulted in excess payment of Rs.26,559. The Department explained that entries had been made in the MB according to the drawing and design. Anyhow, a correction was made in the MB which created a doubt of record tampering. Actually there was no manipulation or record tampering and no excess payment was made.

The Department was directed to get the relevant record verified by Audit within one month. The para was settled subject to said verification of record by Audit.

**13-07-1999:** The Department explained that in compliance with the previous directive of PAC dated 6-12-1995 the relevant record had been got verified by Audit. The Audit had recommended the para for final settlement. The PAC accepted the explanation and **the para was settled.**

**15. Para I-B-1: Pages 24-25 – Higher/Incorrect Rates – Rs.47,060**

Audit had observed: “The division executed an item of earth “compaction of earth work, mixing moistening earth to optimum moisture complete” and paid the rate of Rs.50 per thousand cft instead of the admissible rate of Rs.20/90 per thousand cft. This resulted in an overpayment of Rs.47,060 in June 1990.”

12-07-1995: The Department was directed to effect recovery of the amount within three months. The para was kept pending.

12-07-1999: The Department explained that rate of Rs.50 per 1000 cft. Had correctly been paid and no overpayment was involved.

The PAC directed that Administrative Secretary should himself probe into the matter and factual position may be brought to the notice of PAC. The para was kept pending.

**18-06-2002:** 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 30 November 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-B-2: Page 25 – Higher/Incorrect Rates – Rs.66,392**

Audit had observed: “The division executed an item of reinforced cement concrete in strip foundation, column slab and retaining walls and paid the rate of Rs.21/05 per cft instead of the

admissible rate of Rs.15/70 per cft. This resulted in an overpayment of Rs.66,392 in 1990.”

**12-07-1995:** Subject to verification of the final bill by Audit, **the para was settled.**

**17. Para I-B-3: Pages 25-26 – Higher/Incorrect Rates – Rs.67,377**

Audit had observed: “The division executed an item of mild steel grill without frame, but according to clarification of Finance Department of 6th October 1988, the deduction of Rs.1/90 and Rs/3/15 per sft on account of steel grill was not made from the payments made to the contractor in June 1990. This resulted in an overpayment of Rs.67,377 to the contractor.”

**13-07-1999:** The Department explained that basic record viz measurement book and record entries according to which the payment was made had been checked and it had been found that in all the cases separate frames were provided. Therefore, payment had been correctly made and no overpayment was involved.

The PAC directed that physical certification of work done may be got verified by Audit. The para was kept pending.

**18-06-2002:** Reiterating the decision of the PAC dated 13 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**18. Para I-B-4: Page 26 – Excess Payment of Rs.20,140**

Audit had observed: “The division executed an item of mild steel grill for doors and windows without frame and holdfast and made payment @ Rs.13/95 per square feet without reducing the rate by Rs.3.15 as per Finance department letter No.RO(Tech)FD-2-6/88 of 6<sup>th</sup> October, 1988. This resulted in an excess payment of Rs.20,140 in March, 1991.”

**13-07-1999:** The Department explained that the amount of Rs.4,456 only was recoverable which had since been recovered and got verified by Audit. The remaining amount pertained to the provision and fixing of iron grills. The grills had been provided and fixed with the frame & holdfast. The PAC accepted the explanation and **settled the para.**

**19. Para I-B-5: Pages 26-27 – Higher/Incorrect Rates – Rs.21,841**

Audit had observed: “The division executed an item of brick on edge paving in cement mortar over cement plaster with 25% sand and made payment @ Rs.422/20 per % Sq. feet instead of the admissible rate of Rs.215/75 per hundred sft sanctioned in the technical estimate by the

Superintending Engineer concerned. This resulted in an overpayment of Rs.21,841 in January, 1986.”

**13-07-1999:** The Department explained that full recovery of Rs.21,841 had been effected and got verified by Audit. The PAC accepted the explanation and **para was settled.**

**20. Para I-B-6: Page 27 – Higher/Incorrect Rates – Rs.49,040**

Audit had observed: “The division executed an item of pillars with special type shuttering moulded as per architectural features of column. Architectural work was done only on half of the surface of pillars, but full rate of Rs.1700 instead of Rs.850 per pillar was paid. This resulted in an over payment of Rs.49,040 to contractors in June, 1989 and 1991.”

**12-07-1995:** As the recovery of Rs.49,040 had been verified by Audit, **the para was settled.**

**21. Para I-B-7: Page 27 – Higher/Incorrect Rates – Rs.78,700**

Audit had observed: “The division executed an item of single core PVC insulated PVC sheathed copper conductor, 660/1100 volt and paid the rates of Rs.18/30 and Rs.40/20 per meter instead of the admissible rates of Rs.13/40 and Rs.30/35 per meter. This resulted in an overpayment of Rs.78,700 in 1990.”

**06-12-1995:** The explanation of the Department about specification of the wire was accepted. However, it may be got verified that whether old material was taken into account and whether the total quantity of wire used was correct. The para was kept pending for verification of record and site within two months.

**13-07-1999:** The Department explained that the relevant record and the recovery effected had been got verified by Audit. The PAC accepted the explanation and **settled the para.**

**22. Para I-B-8: Pages 27-28 – Higher/Incorrect Rates – Rs.21,137**

Audit had observed: “The division invited tenders for construction of an auditorium in May 1987. Contractors quoted very high rates due to difficult and technical nature of work and the department had to revise the PC-I on the tendered rates. The Department paid extra item of additional supports and additional shuttering as non-schedule item in addition of the payment of extraordinary work with heavy section beams circular wall and height more than two storeys. This resulted in an excess payment of Rs.21,137 in June 1991.”

**06-12-1995:** The Committee was informed that extra payment for shuttering was allowed by converting it into a non-schedule item in addition to the payment of extraordinary work with heavy section beams etc.

The Department explained that it was within their purview because during the execution of work it was felt that additional shuttering was required to protect the already existing structure. Therefore, the SE being the Competent Authority allowed the additional shuttering.

The Committee did not accept the explanation of the Department and observed that PC-I was revised according to higher rates quoted by the contractor. This was done to make the work beneficial

for the contractor. Therefore, the Department was directed to make good the excess paid amount from the contractor and the para was kept pending.

**13-07-1999:** The Department explained that the contractor concerned had not been working in any of the Divisions of the Buildings Circle Multan. In another case he had been black listed by the Department. Some dues of that contractor relating to construction work of Hostel for working women at Multan were however, outstanding. The recovery would be adjusted against that work.

The PAC did not feel satisfied with the explanation and directed that the Department may consider to make recovery from the XEN/DDO concerned responsible for excess payment within three months after due process. The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 13 July 1999 by 30 November 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 I-C-1: Page 28 – Non-Deduction of Area of Windows and Doors etc. From the Total Quantity – Rs.46,085**

Audit had observed: “The division measured brick masonry but did not deduct the areas of windows, doors, etc. where no brick masonry had actually been done. This resulted in an overpayment of Rs.46,085 in January, 1992.”

**12-07-1995:** As the recovery had been verified by Audit, **the para was settled.**

**24. Para I-C-2: Pages 28-29 – Non-Deduction of Area of Windows and Doors etc. From the Total Quantity – Rs.27,890**

Audit had observed: “The division executed the item of plastering in a rural health center but did not deduct the area of doors, windows and skirting from the quantity of plaster while making payment. This resulted in an overpayment of Rs.27,890 in February, 1989.”

**12-07-1995:** The explanation of the Department was accepted and **the para was settled.**

**25. Para I-C-3: Page 29 – Non-Deduction of Area of Windows and Doors etc. From the Total Quantity – Rs.34,214**

Audit had observed: “The division did not deduct the area of doors and windows from the quantity of bricks masonry while making the payment. This resulted in an overpayment of Rs.34,214 in May 1991.”

**12-07-1995:** The Department informed the Committee that recovery of Rs.34,214 had been effected and verified by Audit and final bill would be produced to Audit on completion. Para was settled subject to verification of the final bill by Audit.

The Committee also directed that Department should enquire whether or not any *mala fide*

was involved for overpayment.

**12-07-1999:** The Department explained that a further recovery of Rs.5,000 had been effected. The final bill was also being produced to Audit for verification.

The PAC directed the Department to make good the balance recovery and the relevant record may be got verified by Audit. The Para was kept pending.

**18-06-2002:** 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 12 July 1999 by 30 November 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-D-1: Pages 29-30 – Incorrect Price Variation – Rs.128,360**

Audit had observed: “The division paid price variation of Rs.128,360 in November 1990 on 64.18 metric ton steel consumed from May 1990 to August 1990 in violation of price variation clause 5 of the agreement. This resulted in an overpayment of Rs.128,360 as no notification for price was issued by the manufacturer during the consumption months of material.”

**12-07-1995:** The para was settled subject to verification of recovery and record i.e. M.Bs, Final Bill and other relevant documents by audit.

**12-07-1999:** The Department apprised the PAC that an amount of Rs.128,360 paid on account of price variation had already been recovered.

The PAC directed that previous directive of the Committee dated 12-7-1995 may be complied with and relevant record i.e. recovery made, M.B and final bill of the contractor etc. may be produced to Audit for verification. The para was kept pending.

**18-06-2002:** Reiterating the decision of the PAC dated 12 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **27. Para I-D-2: Page 30 – Incorrect Price Variation – Rs.82,203**

Audit had observed: “The division made overpayment of Rs.82,203 to contractors in June 1990 on account of price variation of steel which was not admissible under clause 5 of the contract agreement.”

**12-07-1995:** In this case an Overpayment of Rs.82,203 was made to a contractor on account of price variation of steel. The Department explained that although the rate had been increased by the manufacturer but notification was not issued by them. Therefore, payment had to be made to the

contractor according to enhanced rates in the absence of the notification which was a failure on the part of the manufacturer.

The Committee referred the matter to Finance Department for clarification and necessary amendment in the relevant clause of agreement, at the earliest. The para was kept pending.

**12-07-1999:** The Department explained that the case had been referred to the Standing Rates Committee and its decision was awaited.

The PAC observed that the Department did not seek advice/clarification from the Finance Department also. Therefore, it was sufficient to understand that the matter was just being delayed. Therefore, the PAC directed the Department to recover the overpaid amount either from the contractor or from the officer who made the payment. The para was kept pending.

**18-06-2002:** 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 12 July 1999 by 30 November 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.

### **28. Para I-D-3: Page 30 – Incorrect Price Variation – Rs.49,602**

Audit had observed: “The division made payment of price variation on steel in violation of sub clause 5 of the agreement as no notification to this effect was issued during the consumption month by the manufacturer. This resulted in an overpayment of Rs.49,602 in October 1990.”

**12-07-1995:** Subject to verification of recovery and the final bill by audit the para was settled.

**12-07-1999:** The Department explained that all the amount had been recovered but meanwhile a bill of the contractor amounting to Rs.34,000 had gone into minus due to which the recovery again accumulated to the tune of Rs.34,000.

The PAC directed that the Administrative Secretary himself should look into the matter as to why the bill of the contractor had gone into minus to the tune of Rs.34,000 and recovery of the said amount may also be effected. The para was kept pending.

**18-06-2002:** 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 12 July 1999 by 30 November 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 I-E-1: Page 31 – Excessive Lead – Rs.34,005**

Audit had observed: “The division made payment of earth filling with a lead of three miles instead of the admissible lead of 100 feet provided in the agreement and sanctioned estimate. This resulted in an excess payment of Rs.34,005 in December, 1990.”

06-12-1995: The Department explained that the payment had been made as per actual work done and site requirement after personal verification by Engineer Incharge. Certificate in respect of deed containing name of the owner of land, his signature, Khasra No. Khatoni No. and name of the village was also on record.

The Public Accounts Committee was not satisfied and observed that prima facie the irregularity was there as the agreement was done with the lead of 100 feet. The work was completed with the enhanced lead of 3 miles against the Technical Sanction of 100 feet. The Technical Sanction was revised in 5/92 to adjust the lead of 3 mile after the completion of work in 12/90. At the time of Audit the lead chart was not available. The Measurement Book provided was not signed by the XEN. As such XEN concerned might be proceeded against by serving a show cause notice. The Administrative Secretary should personally look into the matter to fix responsibility for excess payment and recovery of the same. The para was kept pending.

**13-07-1999:** The Department explained that amount of Rs.34,005 had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

### **30. Para I-F-1: Page 31 – Payment of Higher Premia – Rs.26,182**

Audit had observed: “The division paid premium of 101% (meant for building items) on earth work in roads, sewer and water supply instead of the permissible premium of 78 and 61 percent provided in the agreement. This resulted in an overpayment of Rs.26,182 from July 1990 to July 1991.”

**06-12-1995:** The Department explained that an overpayment of Rs.26,182 had been made by giving 101% as provided in the agreement. The Department explained that recovery of the full amount of Rs.26,182 had been effected.

The Public Accounts Committee was not satisfied with the mere recovery and directed that XEN who made the overpayment might also be proceeded against under E&D Rules for disciplinary action. Also the bill from which the recovery was effected and final bill of the contractor be shown to Audit for verification. The action against XEN and verification of record should be completed within 3 months. The para was kept pending.

**13-07-1999:** The Department explained that overpaid amount had already been recovered. No *mala fide* was involved.

The Audit apprised the PAC that the recovery had been made and final bill had not been

shown to Audit as directed by the PAC on 6.12.95. As per said decision of PAC dated 6.12.95 no action against the XEN concerned had been taken.

The PAC directed the Department that bill from which the recovery had been made and the final bill of the contractor may be shown to Audit for verification. The para was kept pending.

**18-06-2002:** Reiterating the decision of the PAC dated 13 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**31. Para I-F-2: Pages 31-32 – Payment of Higher Premia – Rs.46,854**

Audit had observed: “The division executed an item of road work at site and paid premia of 90 and 101 percent for building items instead of the admissible premium of 50 percent quoted for road work. This resulted in an overpayment of Rs.46,854 in June 1991.”

**13-07-1999:** The Department explained that full recovery had been effected.

The PAC directed that record pertaining to recovery and final bill of the contractor may be shown to Audit for verification. The para was kept pending.

**18-06-2002:** Reiterating the decision of the PAC dated 13 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**32. Para II-A-1: Page 32 – Risk and Cost Amount – Rs.3,940,277**

Audit had observed: “In the division two contractors abandoned the works. The Department executed balance works at their risk and cost, but did not recover the additional cost of Rs.3,940,277 from them since December 1986.”

**12-07-1995:** The Department informed the Committee that the case was sub judice because the defaulting contractor had gone into arbitration. The Committee directed the Department to ensure that when the contractor abandoned the work he had not been made any overpayment and his bill was not in minus. Case being sub judice, the para was kept pending.

**12-07-1999:** The Department explained that the case had been decided by the court in favour of the Department. The recovery was yet pending and all out efforts were under way to effect the recovery.

The PAC directed the Department to make recovery by making strenuous efforts. The para

was kept pending.

**18-06-2002:** 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 12 July 1999 by 30 November 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**33. Para II-A-2: Pages 32-33 – Risk and Cost Amount – Rs.79,184**

Audit had observed: “A contractor abandoned the work and the department executed balance work through another contractor at his risk and cost. The department recover the risk and cost amount of Rs.79,184 from the original contractor although the second contractor had received his final payment in February, 1990.”

**12-07-1995:** The para was settled subject to reconciliation of recoverable amount and the recovery made and final bill by Audit.

**34. Para II-A-3: Page 33 – Risk and Cost Amount – Rs.43,906**

Audit had observed: “The division reallocated an abandoned work to another contractor at the risk and cost of defaulting contractor in March, 1990, but the recovery of Rs.43,906 on account of risk and cost was not effected by the department from the original contractor.”

**06-12-1995:** The Department explained that the amount of Rs.64,361 pertaining to risk and cost, had been recovered.

The Department was directed to produce the estimate, first contractor’s agreement and final bill of the work to Audit for verification. Subject to verification of recovery & record by Audit, the para was settled.

**13-07-1999:** The Department explained that the amount of Rs.64,361 instead of Rs.43,906 pointed out by Audit had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**35. Para II-A-4: Page 33 – Risk and Cost Amount – Rs.101,373**

Audit had observed: “In the division certain contractors defaulted in 1989 and the department reallocated the balance works at their risk and cost under clause 3(c) of the agreement. The department did not recover the risk and cost amount of Rs.101,373 from them.”

**06-12-1995:** The department explained that full recovery had been effected from the contractor. The Department was directed to produce the relevant record, pertaining to the recovery of Rs.101,373 i.e. T.S., Agreement and final bill of contractor to Audit for verification within one month. Subject to

said verification by Audit, the para was settled.

**13-07-1999:** The Department apprised the PAC that recovery of Rs.156,863 had been effected and got verified by Audit. The PAC accepted the explanation and **settled the para.**

### **36. Para II-A-5: Page 33 – Risk and Cost Amount – Rs.134,614**

Audit had observed: “The division allotted a work to a contractor in May 1988 at a cost of Rs.1,931,700. He subsequently, became defaulter and the Department reallocated his balance work costing Rs.1,685,800 to another contractor in 1989-90 at his risk and cost. The additional expenditure of risk and cost of Rs.134,614 was not recovered from him.”

**13-07-1999:** The Department explained that a sum of Rs.80,113 had been recovered from the contractor concerned. The balance recovery had been referred to the District Collector to effect the same as arrears of land revenue. The PAC kept the para pending for balance recovery.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 13 July 1999 by 30 November 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-A-6: Page 34 – Risk and Cost Amount – Rs.35,000**

Audit had observed: “A contractor did not complete a work according to approved specifications. The defective work costing Rs.35,000 was got rectified through another contractor at his risk and cost, but the Department did not recover the risk and cost amount of Rs.35,000 from him.”

**13-07-1999:** The Department explained that a sum of Rs.14,106 had been recovered and got verified by Audit. The para had been reduced to Rs.20,893. The balance recovery was under process as arrears of land revenue.

The PAC directed that balance recovery may be effected from the XEN, SDO and Sub-Engineer concerned who made payment for the defective work after due process. The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 13 July 1999 by 30 November 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-B-1: Page 34 – Non-Recovery of Secured Advances – Rs.123,452**

Audit had observed: “The division paid a secured advance of Rs.110,225 to a contractor in March, 1989 and did not made its recovery even after the lapse of about more than two years. This resulted in non-recovery of Rs.123,452(110,225 + 13,227) in March, 1989.”

**13-07-1999:** The Department explained that full recovery had been made and got verified by Audit. The PAC accepted the explanation and **settled the para.**

### **39. Para II-B-2: Page 34-35 – Non-Recovery of Secured Advances – Rs.124,982**

Audit had observed: “The division paid Rs.3,671,300 to Muslim Commercial Bank as advance for opening letter of credit (L.C) on 30<sup>th</sup> June, 1988. On cancellation of the said letter of credit, the bank refunded Rs.3,548,318 but the balance amount of Rs.124,982 was still outstanding.”

**12-07-1995:** The para was settled subject to verification of relevant record by Audit.

**12-07-1999:** The Department explained that relevant requisite record had been produced to Audit for verification. The result of verification was awaited.

**The PAC settled the para subject to verification of record** regarding exchange of rate by Audit.

### **40. Para III-A-1: Pages 35-36 – Tampering of Record Measurements – Rs.21,200**

Audit had observed: “The division paid Rs.21,203 for price variation on steel to a contractor in March 1990 by changing the date of original record entry from 26th November 1989 to 26th October 1989 to give benefit to him. According to price variation clause of agreement, price variation was admissible in the case if notification of rates to that effect was issued by the manufacturer in that month. Thus, unauthorized change subsequently resulted in a loss of Rs.21,200 in 1990.”

**13-07-1999:** The Department explained that recovery of Rs.21,200 had since been made and got verified by Audit. Matter with regard to manipulation in the record was being enquired into by an XEN.

The PAC directed that the said inquiry may be finalized at the earliest. The XEN who was conducting the inquiry may be proceeded against as he failed to complete the assignment within the stipulated period as delay in the finalization of inquiry seemed to be with *mala fide* intention. Final bill of the contractor may be shown to Audit. The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 13 July 1999 by 30 November 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 III-A-2: Page 36 – Tampering of Record Measurements – Rs.112,640**

Audit had observed: “The division manipulated record entries of reinforced cement concrete and added the figure ‘5’ to left hand side of the quantity of 6014.36 cft making it to read 56014.36 cft. The quantity of cement consumed was also increased accordingly from 1058.52 to 9858.52 bags in order to give more benefit to the extent of 8800 bags or 440 metric tons which also reflected on

account of price variation manipulation in the original record entries resulted in a fraudulent payment of Rs.112,640 in June 1991.”

**06-12-1995:** The Committee was informed that record was tampered and by adding a figure of 5 at left side the measurement was made as 56014.36 cft of reinforced cement concrete instead of the actual figure of 6014.36. Accordingly the quantity of consumed cement was also increased from 1058 bags to 9858 bags. This manipulation resulted in excess payment of Rs.112,640

The Department explained that recovery of the amount had been effected and the defaulters, namely, Messrs Muhammad Iqbal Khan, Sub Engineer, Abdul Malik, Senior Clerk and Muhammad Ishaque, Junior Clerk had been demoted to a lower stage.

The PAC was not satisfied with the action and observed that mere recovery was not sufficient punishment and directed the Department that this was a clear case of forgery and, therefore, criminal proceedings should also had been initiated which was not done. The concerned DDO and the Divisional Accountant were also involved in the forgery, therefore they should also be proceeded against. Criminal case should also be registered against the defaulters. This action should be completed within 3 months. Meanwhile, the recovery should be got verified by Audit. The para was kept pending.

**13-07-1999:** The Department explained that as per directive of PAC dated 6.12.95 the record showing the adjustment/recovery of Rs.112,640 had been got verified by Audit. A case against the officer/official involved in the fraud had been registered with the Anti Corruption Department alongwith the Departmental disciplinary action. These officers/officials had filed an appeal in the Punjab Services Tribunal.

The PAC directed the Department that:-

- (i) The case in the Services Tribunal may be pursued vigorously for an early decision.
- (ii) Disciplinary action taken against the concerned officer/official by the Department may be shown to Audit.
- (iii) Audit should also complete its inquiry within two months.

The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, the Committee pended the para with the direction that the Department shall **submit compliance report** in respect of the directive of the PAC dated 13 July 1999 within 15 days for consideration by the Committee.

**15-08-2002:** In compliance with the directive of the PAC dated 18 June 2002, the Department informed the Committee that the officer/officials responsible for manipulation in the official record were proceeded against under the Efficiency and Discipline Rules and awarded minor penalty of stoppage of next increment for one year. However, on their appeals, the Punjab Service Tribunal had set aside the penalty. The Committee observed that the amount of the para i.e. Rs.112,640 had already been recovered/adjusted and verified by Audit. The Committee **settled the para.**

**42. Para III-B-1: Pages 36-37 – Negligence – Rs.38,862**

Audit had observed: “The division allotted the work of Faridia College Pakpattan to a contractor in June, 1988 to be completed upto September, 1989 but the department supplied structural design and drawings with a delay of fourteen months. The contractor claimed extension in time limit and escalation of Rs.38,862 on steel and cement. Government had to sustain a loss due to inefficiency and delay on the part of the department in February, 1990.”

**06-12-1995:** The Committee was informed that a sum of Rs.33,458 relating to steel portion had been recovered out of the security deposit of the contractor. So far as the balance amount of Rs.5,404 was concerned, the Department explained that the work was in progress and cement had to be procured at the prevailing market rate for supply within the stipulated period of agreement. Hence, no recovery was due.

Subject to verification of the recovery of Rs.33,458 and record by Audit in 1/96 the para was settled.

**13-07-1999:** The Department explained that as per previous directive of PAC dated 6.12.95 the record pertaining to recovery of Rs.33,458 had been got verified by Audit. The PAC accepted the explanation and **settled the para.**

**43. Para III-C-1: Page 37 – Acceptance of Higher Rates – Rs.204,256**

Audit had observed: “A division accepted tenders at 35.88 percent in violation of the Delegation of Powers. This resulted in an extra expenditure of Rs.204,256 in July, 1990.”

06-12-1995: The Committee was informed that tenders were accepted at 35.88 percent above the administrative approval in violation of the delegation of powers rules. The acceptance of higher rates resulted in extra expenditure of Rs.204,256.

The Department contended that they were well within their rights to pay the admissible rates prevailing at that time.

The Committee directed that the matter should be referred to the Finance Department for advice/clarification, in the light of the relevant rules, whether the Department could go beyond 15% of the Administrative Approval. The para was kept pending.

13-07-1999: The Department explained that as per previous directive of PAC dated 6-12-1995 the matter had been referred to the Finance Department for advice/ clarification. The Finance Department directed that scheme may be revised and accordingly the revised Technical Sanction and Administrative Approval had been obtained. The PAC accepted the explanation and settled the para.

#### **44. Para IV-1: Page 38 – Payments Against the Provision of Agreement/Technical Sanction Estimate – Rs.57,330**

Audit had observed: “The division executed and paid the item of roof insulation with single layer of tile (9 inch X 4-1/2 inch X 1-1/2 inch) grouted in cement mortar (1:3) over 2 inch thick earth filling and 1 inch thick thermopore in violation of the agreement and instructions of the Chief Engineer dated 3<sup>rd</sup> September, 1985, thereby allowing higher rate of Rs.567/35 instead of admissible rates Rs.279/70. This resulted in an un-authorized payment of Rs57,330 in January, 1991.”

**06-12-1995:** The Department explained that thermopore sheet were allowed for roof in school building by the XEN concerned to provide protection from heat & cold. The Committee directed the Administrative Department may standardize the roof specifications and minimize the use of discretion by XENs. Subject to the above directions, the para was settled.

**13-07-1999:** The Department apprised the PAC that the para had already been settled by the PAC on 6.12.95. Only the matter of standardization of roof specification was to be decided. Standardization Cell had been requested to expedite the decision in this regard. This was a policy matter and would be finalized in due course of time. The PAC accepted the explanation and **settled the para.**

#### **45. Para IV-2: Page 38 – Payments Against the Provision of Agreement/Technical Sanction Estimate – Rs.27,468**

Audit had observed: “The division made payment of borrow pit excavation with three mile carriage in violation of agreement and technical sanctioned estimate which resulted in an un-authorized payment of Rs.27468 to a contractor in August, 1991.”

**12-07-1995:** The para was settled subject to verification of relevant record by Audit. Anyhow, the PAC observed that any departmental circular could not over-rule the provisions of the Rules and Regulations on the subject.

**12-07-1999:** The Department explained that the payment of earth was not connected with the original audit observation and therefore, the same should be considered separately. So far as this para was concerned there was no irregularity.

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

## **Highways Department**

#### **46. Para I-A-1: Page 45 – Excessive Measurements – Highways Division Narowal – Rs.22,504**

Audit had observed: “The division measured and paid earth work of embankment more than what was approved in the estimate. This resulted in an overpayment of Rs.22,504 to a contractor in August 1991.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**47. Para I-A-2: Page 45 – Excessive Measurements – Highways Division Gujranwala – Rs.40,051**

Audit had observed: “The division made excessive measurements of brick work and plain cement concrete (P.C.C.) whereas there was no change in the design of reinforced cement concrete (R.C.C.) and brick floorings. This resulted in an overpayment of Rs.40,051 to a contractor in June 1988.”

**18-06-2002:** 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 30 November 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 I-A-3: Page 46 – Excessive Measurements – Rs.1,298,954**

Audit had observed: “An overpayment of Rs.1,298,954 was made to a contractor in March, 1991 due to excessive measurements of reinforced cement concrete (1:2:4) than that approved in the design.”

**11-07-1995:** The Department explained that the approved standard design of the slab was 18” thick. In 1981, with the readjustment of material, the thickness of slab was reduced to 14” by the Director General of Bridges. These slabs started to crumble under heavy traffic. Therefore, thickness of the slab was revived to 18” to cater for the traffic load. The Chief Engineer was the Competent Authority and he had approved the thickness as 18”.

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

**49. Para I-A-4: Page 46 – Excessive Measurements – Rs.159,378**

Audit had observed: “According to the approved detailed estimate and agreement, a quantity of 28000 cft. received from dismantling of the existing metalled road was to be reused as sub base @ Rs.400 per hundred cft. Instead of reusing the balance old material 12120 cft, payment to a contractor was made for new material @ Rs.1715 per cft, which resulted in an excess payment of Rs.159,378 in November, 1990.”

**11-07-1995:** The Department explained that the dismantled material had been reused. The Committee directed that the following record should be produced to Audit for verification:-

1. Rate of Rs.400;
2. Consumption of material;
3. MBs;
4. Final bill;
5. Agreement; and
6. Technical Sanction.

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

**50. Para I-A-5: Pages 46-47 – Excessive Measurements – Rs.64,424**

Audit had observed: “The division made incorrect record entries for the item of reinforced cement concrete (RCC) and measured the width and depth for a slab for 13.50 and 625 feet instead of 13.26 and 416 feet. This resulted in an overpayment of Rs.64,424 to a contractor in November 1990.”

**11-07-1995:** The Department stated that the work was got done according to the sanctioned T.S. The Committee directed that the relevant record i.e. MBs, rough cost estimate, TS estimate and contract agreement should be produced to Audit for detailed scrutiny and verification. The para was kept pending.

**18-06-2002:** Reiterating the decision of the PAC dated 11 July 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**51. Para I-A-6: Page 47 – Excessive Measurements – Rs.53,872**

Audit had observed: “Tack Coat is admissible for old surfaces before carpeting. However, the division made payment for tack coat laid between two layers of bituminous carpeting in violation of sanctioned estimate and agreement of a new road where tack coat was not required. This resulted in an overpayment of Rs.53,872 to a contractor in May, 1990.”

**11-07-1995: Para was settled subject to verification of relevant record i.e. M.Bs, T.S. Estimate, Agreement and final bill by Audit.**

**52. Para I-A-7: Pages 47-48 – Excessive Measurements – Rs.35,515**

Audit had observed: “The division laid 2910 cft sub base course over the existing portion of a road to be treated as sub-base in contravention of the approved technical estimate. This resulted in an

excess payment of Rs.35,515 to a contractor in February, 1991.”

**11-07-1995: Subject to verification of the recovery of Rs.35,515 by Audit, the para was settled.**

**53. Para I-A-8: Page 48 – Excessive Measurements – Highways Division Pakpattan – Rs.32,708**

Audit had observed: “The division measured and paid the thickness of base course from 6.25 inch to 7 inch in a length 4600 rft in violation of the designed thickness of 6 inch sanctioned in the technical estimate and agreement. This resulted in an excess payment of Rs.32,708 to a contractor in May 1991.”

**18-06-2002: 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 30 November 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.

**54. Para I-A-9: Page 49 – Excessive Measurements – Highways Division Sahiwal – Rs.21,544**

Audit had observed: “A contractor declared defaulter under clause 3(c) of the agreement and his secured material of 12000 cft stone aggregate (loose) was issued to the second contractor for compaction of base course. The Department made payment for the loose quantity of 12000 cft instead of 9836.25 cft of the compacted finished base course in violation of the decision of the Standing Rates Committee meeting held on 5th May 1979. Besides 3% recovery on account of Income Tax was also not made. This resulted in an overall excess of Rs.21,544 to the contractor.”

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**55. Para I-A-10: Page 49 – Excessive Measurements – Highways Division Sahiwal – Rs.40,000**

Audit had observed: “A contractor did not re-use the full quantity of 79200 cft. dismantled material obtained from the existing road. Only a quantity of 72845 cft was used. The Department instead of reusing the available quantity of 6335 cft @ Rs.400, used new material of 5000 cft @ Rs.1200 per hundred cft, which resulted in an overpayment of Rs.40,000 in June 1991.”

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**56. Para I-A-11: Page 49 – Excessive Measurements – Highways Division Multan – Rs.167,100**

Audit had observed: “An excess payment of Rs.167,100 was made to a contractor in June 1991 for the items of sub base course, road edging and base course measured excessively in some reaches which had already been measured and paid.”

**18-06-2002:** 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 30 November 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 I-A-12: Page 50 – Excessive Measurements – Highways Division Multan – Rs.73,134**

Audit had observed: “The division measured and paid the quantity of 1944000 cft earth work against the sanctioned quantity of 1456440 cft. This resulted in an overpayment of Rs.73,134 to a contractor in October 1990.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**58. Para I-A-13: Page 50 – Excessive Measurements – Highways Division Multan – Rs.24,406**

Audit had observed: “Sub base, base course and brick edging on the slabs of culverts were laid in violation of the standard design approved by the Director, Roads and Bridges. This resulted in an excess payment of Rs.24,406 in June 1991.”

**18-06-2002:** 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 30 November

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

**59. Para I-A-14: Page 50 – Excessive Measurements – Highways Division Rajanpur – Rs.255,030**

Audit had observed: “Technical estimate in May 1985 provided for quantity of 3335190 cft. earth for making embankment computed on the basis of cross sections appended with the estimate. The actual quantity, however, measured and paid 4355312 cft instead of the approved quantity in violation of the approved scope of work, which resulted in an excess payment of Rs.255,030 to contractors in September 1989.....The matter was brought to the notice of the Administrative Department in January 1991 and also discussed in the Departmental Accounts Committee meeting in January, 1992. The Department could not produce the revised sanctioned estimate or any documentary evidence in support of changed site conditions.”

**18-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**60. Para I-A-15: Page 51 – Excessive Measurements -Highways Division Rajanpur – Rs.96,300**

Audit had observed: “An item of triple surface treatment (TST) was executed in a length of two miles (10560 feet) without recording exact reaches/locations, while making payment, the length of two miles was recorded 14000 feet instead of 10560 feet, which resulted in an overpayment of Rs.96,300 to a contractor in September 1991.”

**18-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**61. Para I-A-16: Page 52 – Excessive Measurements – Highways Division Rajanpur – Rs.74,112**

Audit had observed: “A work in a length of four miles (21120 feet) executed and measured for 24000 running feet (Rft) instead of 21120, which resulted in excess measurement of 9600 cft sub base course leading to an overpayment of Rs.74,112 to a contractor in September 1991.”

**18-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**62. Para I-A-17: Page 52 – Excess Payment of Rs.68,766 – Highways Division Rajanpur – Rs.68,766**

Audit had observed: “An excess quantity of 327458 cft (2963234 – 2635776 cft) earth work was measured and paid in violation of the sanctioned quantity of 2635776 cft in the technical estimate. This resulted in an excess payment of Rs.68,766 to a contractor in January 1990. The matter was brought to the notice of the administrative department in January 1991 and also discussed in the Departmental Accounts Committee meeting in January, 1992. The department failed to produce revised estimate reported at the time of inspection under sanction. The committee directed the department to get the revised estimate sanctioned upto 31st March, 1992 but this was not done”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**63. Para I-A-18: Pages 52-53 – Excessive Measurements – Highways Division Rajanpur – Rs.57,024**

Audit had observed: “172800 cft earth work was measured without recording exact locations/reaches of the work executed. This indicated that the measurements were doubtful. This resulted in an excess payment of Rs.57,024 to a contractor in November 1990.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**64. Para I-A-19: Page 53 – Excessive Measurements – Highways Division Rajanpur – Rs.33,574**

Audit had observed: “According to cross sections appended with the detailed estimates, in a work

actual net payable quantity of earth worked out to 652837 cft instead of 839360 cft incorrectly measured. This led to payment of excess quantities of 186525 cft. involving overpayment of Rs.33,574 to a contractor in August 1990.....The matter was reported to the Administrative Secretary in January 1992 and also discussed in the Departmental Accounts Committee meeting in January, 1992. The Department informed that the excess quantity was incorporated in the revised technical estimate which would be produced to audit upto 31st March, 1992 for verification, but this was not done.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**65. Para I-A-20: Page 53 – Excessive Measurements – Highways Division Rajanpur – Rs.21,440**

Audit had observed: “Measurement of plain cement concrete (PCC) 1:4:8 were recorded in excess of quantities admissible under the approved design. This resulted in an overpayment of Rs.21,440 to a contractor in January 1986.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**66. Para I-A-21: Page 54 – Excessive Measurements – Highways Division Bahawalnagar – Rs.41,100**

Audit had observed: “The division measured and paid lengths of sub base and base courses for 45360 and 45960 running feet (Rft) respectively. Generally the lengths of both the items are equal to each other because the base course is always laid over the sub base course. Excessive measurements of the sub base course resulted in an overpayment of Rs.41,100 to a contractor in October 1991.”

**18-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**67. Para I-A-22: Page 54 – Excessive Measurements – Highways Division Bahawalnagar –**

**Rs.37.964**

Audit had observed: “Excavation of earth in foundation per hundred cft was measured and paid instead of per thousand cft which resulted in an overpayment of Rs.37,964 to a contractor in February 1992.”

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter and effect recovery, if any. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**68. Para I-B-1: Pages 54-55 – Higher Rates – Rs.32,406**

Audit had observed: “Payment of 40507 Cft earth @ Rs.1000 per hundred Cft was made instead Rs.2000 quoted by a contractor. This resulted in an overpayment of Rs.32,406 in April, 1989.

**11-07-1995:** Subject to verification of the recovery of Rs.32,406 by Audit, the para was settled.

**69. Para I-B-2: Page 55 – Higher Rates – Rs.40,727**

Audit had observed: “Payment for the item of reinforced cement concrete (1:2:4) in bed plates @ Rs.21/05 per cft was made instead of the admissible rate of Rs.15/70 per cft. This resulted in an overpayment of Rs.40, 727 to a contractor in November, 1990.”

**11-07-1995:** The Department informed the Committee that full recovery of Rs.40,727 had been effected. The Committee **settled the para subject to verification of recovery by Audit.**

**70. Para I-B-3: Page 55 – Higher Rates – Rs.23,875**

Audit had observed: “Payment for the item of reinforced cement concrete (RCC) in the base slab of column @ Rs.21/05 per cft was made instead of the admissible rate of Rs.15/70 vide item No.5 (a) (II)(3) page-53 of the Composite Schedule of Rates (CSR), 1979. This resulted in an overpayment of Rs.23, 875 to a contractor in June, 1991.”

**11-07-1995:** The Department explained that difference in the cost amounting to Rs.23,875 had been recovered from the contractor. **Subject to verification of the recovery by Audit, the Para was settled.**

**71. Para I-B-4: Pages 55-56 – Higher Rates – Highways Division Pakpattan – Rs.48,956**

Audit had observed: “An item of reinforced cement concrete (R.C.C.) for bed plates and base slab

of column was executed and paid at the rate of Rs.21/05 per cft. instead of 15/70 per cft. This resulted in an overpayment of Rs.48,956 in June 1991.”

**18-06-2002:** 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 30 November 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.

**72. Para I-B-5: Page 56 – Higher Rates – Highways Division Sahiwal – Rs.71,379**

Audit had observed: “The division paid the rate of Rs.21/05 per cft. vide item No.5(a)(i)(c) Page 53 of the Composite Schedule of Rates 1979 instead of the admissible rate of Rs.15/70 per cft. This resulted in an overpayment of Rs.71,379 to a contractor in December 1991.”

**18-06-2002:** 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 30 November 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.

**73. Para I-B-6: Page 56 – Higher Rates – Highways Division Vehari – Rs.30,208**

Audit had observed: “An item of reinforced cement concrete (RCC) in foundation of bed plates and transom slab was executed and paid @ Rs.21/05 per cft instead of Rs.15/70 per cft. This resulted in an overpayment of Rs.30,208 in December 1991.”

**18-06-2002:** 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 30 November 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.

**74. Para I-C-1: Page 57 – Non-Deduction of Dismantled Material, Available Earth and Camber etc – Highways Division Chakwal – Rs.18,000**

Audit had observed: “90000 cft of dismantled stone metal was not deducted from a contractor as per provision of the agreement. This resulted in an excess payment of Rs.180,000 to the contractor in September 1990.... The matter was reported to the Administrative Secretary and also discussed in the

Departmental Accounts Committee meeting in December, 1991. Recovery of Rs.83,500 was verified by Audit but the balance recovery of Rs.96,500 was to be made upto 15th February, 1992 as per directive of the DAC, but no reply was received.”

**18-06-2002:** 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.

**75. Para I-C-2: Page 57 – Non-Deduction of Dismantled Material, Available Earth and Camber etc – Highways Division Gujrat – Rs.42,359**

Audit had observed: “A quantity of 116438.5 cft earth available at site was not deducted from the quantity brought from outside for making embankment. This resulted in an excess payment of Rs.42,359 to different contractors during 1991.”

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter and effect recovery, if any. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**76. Para I-C-3: Page 58 – Non-Deduction of Dismantled Material, Available Earth and Camber etc – Highways Division Sialkot – Rs.95,042**

Audit had observed: “A quantity of 575039 cft earth was received from excavation in foundation of structures. One third quantity of 191698 cft earth was utilized in back filling. While making payment for earth brought from outside borrowpits for embankment, the department did not deduct the two-third quantity of 303399 cft earth available at site, which resulted in an overpayment of Rs.95,042 in 1990-91.”

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter and effect recovery, if any. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**77. Para I-C-4: Page 58 – Non-Deduction of Dismantled Material, Available Earth and Camber etc – Highways Division Sialkot – Rs.48,638**

Audit had observed: “The area of thirteen holes of 1-1/4 inch was not deducted from the quantity of reinforced cement concrete (RCC) (1:1:2) of girders which resulted in an overpayment of Rs.48,638 in December 1991.”

**18-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**78. Para I-C-5: Page 58 – Non-Deduction of Dismantled Material, Available Earth and Camber etc – Highways Division Gujranwala – Rs.29.003**

Audit had observed: “Available earth at site was not deducted from the quantity of earth brought from outside for making embankment. This resulted in an overpayment of Rs.29,003 to contractors in August 1991.”

**18-06-2002:** 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 30 November 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 I-C-6: Page 59 – Non-Deduction of Dismantled Material, Available Earth and Camber etc. – Rs.160,051**

Audit had observed: “While recording measurements of earth work, deduction on account of camber, slopes and shoulders was not made, which resulted in an overpayment of Rs.160,051 to a contractor in August 1991.”

**11-07-1995:** The Department was directed to get the amount already recovered verified by Audit and to recover the balance amount at the earliest under intimation to Audit for verification. The Para was kept pending.

**18-06-2002:** 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 11 July 1995 by 30 November 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 I-D-1: Page 59 – Double Measurements – Highways Division Sialkot – Rs.59,040**

Audit had observed: “The division measured and paid the item of sub base course twice from

25.7 kilometer to 26 kilometer, which resulted in an overpayment of Rs.59,040 to a contractor in 1990.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**81. Para I-D-2: Page 59 – Double Measurements – Highways Division Faisalabad – Rs.21,060**

Audit had observed: “Double measurements were recorded for the item of base course in reaches from 1300 to 2200 which had already been paid to another contractor. This resulted in an overpayment of Rs.21,060 to a contractor in August 1991.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**82. Para I-D-3: Page 60 – Double Measurements – Highways Division Vehari – Rs.307,816**

Audit had observed: “The division recorded and paid the item of sub base course and road edging in reaches which had already been measured and paid. This resulted in double payment of Rs.307,816 to a contractor in June 1991.”

**18-06-2002:** 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 30 November 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 I-D-4: Page 60 – Double Measurements – Highways Division Rajanpur – Rs.61,600**

Audit had observed: “The division measured 7700 cft. twice on account of base course in some reaches of a road. This resulted in an overpayment of Rs.61,600 to a contractor in May 1989.”

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject**

**to the following direction–**

The Department shall investigate the matter and effect recovery, if any. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**84. Para I-D-5: Page 60 – Double Measurements – Highways Division Rahim Yar Khan – Rs.22,400**

Audit had observed: “The division measured the item of sub base twice from reaches 24280 to 24600, which resulted in an overpayment of Rs.22,400 to a contractor in 1990.”

**18-06-2002: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter and effect recovery, if any. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**85. Para I-E-1: Page 61 – Fictitious Record Measurements – Highways Division Muzaffargarh – Rs.30,600**

Audit had observed: “The division made fictitious record entries for the item of triple surface treatment in the reaches where no sub base and base courses were laid prior to the surface treatment. Hence, the department made payment for the work which had not been executed at site. This resulted in a fictitious payment of Rs.30,600 to a contractor in March 1991.”

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**86. Para I-E-2: Page 61 – Fictitious Record Measurements – Highways Division Multan – Rs.34,500**

Audit had observed: “The left over work was re-allotted under clause 3(c)\_ to another contractor at risk and cost of the original contractor. The department made fictitious record entries for the item of sub base course in reaches which had already been measured and paid to the original contractor. This resulted in an overpayment of Rs.34,500 to the second contractor in October 1991.”

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**87. Para I-F-1: Page 62 – Excessive Premium and Price Variation/Escalation – Highways Division Norawal – Rs.32,690**

Audit had observed: “The division paid premium @ 127% above Schedule of Rates 1979 instead of 70% for the item of “making embankment” in violation of acceptance letter dated 21st December 1990. This resulted in an overpayment of Rs.32,690 to a contractor in August 1991.”

**18-06-2002: 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 30 November 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 I-F-2: Page 62 – Excessive Premium and Price Variation/Escalation – Highways Division Sialkot – Rs.294,434**

Audit had observed: “The difference of price excavation as paid at Rs.339 instead of Rs.201 per ton (cement) admissible. This resulted in an overpayment of Rs.294,434 to a contractor in December 1991.”

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**89. Para I-F-3: Page 63 – Excessive Premium and Price Variation/Escalation – Rs.73,869**

Audit had observed: “The division paid price variation on steel for which secured advance was also granted to a contractor. According to the Finance Department’s letter No. RO (Tech) F.D-10/85 of 22<sup>nd</sup> October 1987 no price variation was admissible on the secured material. This resulted in an overpayment of Rs.73, 869 to the contractor in June, 1991.”

**11-07-1995:** The Department explained that the price variation rate related to the time period of 8/1989 whereas the secured advance to the contractor was paid subsequent to this period i.e. during 11/1989. Hence the price variation was admissible on the quantity of the material against which secured advance was paid after 8/1989. **The Para was settled subject to verification of record by**

**Audit.****90. Para II-A-1: Page 63 – Risk and Cost Amount – Highways Division Rawalpindi – Rs.470,030**

Audit had observed: “A contractor abandoned the work but the additional cost of Rs.470,030 on account of risk and cost of the remaining work re-allotted to another contractor in October 1989, under clause 3(c) of the agreement, was not recovered from him.”

**18-06-2002:** 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.

**91. Para II-A-2: Page 64 – Risk and Cost Amount – Highways Division Rawalpindi – Rs.353,256**

Audit had observed: “A contractor abandoned the work but the additional cost of Rs.353,256 on account of risk and cost of the remaining work re-allotted to another contractor in February 1990, was not recovered from the original contractor.....The matter was also discussed in the Departmental Accounts Committee meeting in December, 1991. The department had not prepared final bill and effected the recovery.”

**18-06-2002:** 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.

**92. Para II-A-3: Page 64 – Risk and Cost Amount – Highways Division Rawalpindi – Rs.326,689**

Audit had observed: “A contractor abandoned the work but the additional cost of Rs.326,689 on account of risk and cost of the remaining work re-allotted to another contractor in February 1990 under clause 3(c) of the agreement, was not recovered from him. The matter was also discussed in DAC meeting in December 1991/ The department had not prepared the final bill and effected recovery.”

**18-06-2002:** 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.

**93. Para II-A-4: Page 64 – Risk and Cost Amount – Highways Division Sialkot – Rs.580,343**

Audit had observed: “A left over work was re-allotted to another contractor in October 1990 at the risk and cost of the original contractor, but the additional expenditure of Rs.580,343 incurred on behalf of the original contractor was not recovered by the department.”

**18-06-2002:** 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.

**94. Para II-A-5: Page 65 – Risk and Cost Amount -Highways Division Gujranwala – Rs.93,289**

Audit had observed: “The division re-allotted the balance work to another contractor in November 1990 at the risk and cost of the original contractor, but the additional expenditure of Rs.93,289 incurred on behalf of the original contractor was not recovered.”

**18-06-2002:** 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.

**95. Para II-A-6: Page 65 – Risk and Cost Amount – Highways Division Mianwali – Rs.267,482**

Audit had observed: “The original contractor abandoned the work in 1985 and the department reallocated the balance work to another contractor at his risk and cost. The additional cost of Rs.267,482 on account of risk and cost due from the original contractor was not recovered....The matter was also discussed in DAC meeting in January, 1992. The Department informed the Committee that though the work completed but the final was yet to be prepared. The committee directed the department to prepare the final bill and effect recovery upto 30th January, 1992, but this was not done.”

**11-07-1995:** The para pertained to work got done by a second contractor at risk and cost of the first contractor who abandoned the work incomplete. The Department explained that final bill of the contractor amounting to Rs.977,377 had been adjusted in the monthly account for 5/93 and amount was placed in misc. PW Advance recoverable from contractor. The case was under Arbitration and further action would be taken after the decision of Arbitration.

The Public Accounts Committee observed that to safeguard the interest of Government in risk & cost cases the clause 3-C of the Contract Agreement should be amended in such a way that when a person goes to Arbitration he should deposit the disputed amount with the Arbitration. Relevant Rules might be amended accordingly. The para was kept pending, till recovery.

**18-06-2002:** On consideration of the facts of the case, the Committee directed that the Department shall **submit compliance report** in respect of the directive of the PAC dated 11 July 1995 within 15 days for consideration by the Committee.

**15-08-2002:** In compliance with the directive of the PAC dated 18 June 2002, the Department informed the Committee that para No.II-A-6 of 1991-92 stands deleted by Audit due to duplicacy of para 2-1 of 1990-91 for Rs.458,687. **The Committee accordingly deleted the para.**

**96. Para II-A-7: Pages 65-66 – Risk and Cost Amount – Rs.2,747,781**

Audit had observed: “The division declared the original contractor defaulter in November 1990 and reallocated the balance work to another contractor at his risk and cost. The additional expenditure of Rs.2,747,781 incurred on behalf of the original contractor was not recovered.”

**11-07-1995:** It was explained that recovery of Rs.2,747,781 was due from a defaulting contractor. The Department had approached the Deputy Commissioner, Kasur, for recovery as arrears of land revenue where the case was still pending.

The Committee directed that the Deputy Commissioner, Kasur, should be asked to submit a complete list of the cases pending with him for recovery as arrears of land revenue in their next meeting. Para was kept pending.

**18-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **97. Para II-A-8: Page 66 – Risk and Cost Amount – Rs.75,900**

Audit had observed: “A contractor abandoned the work and the department executed the balance work partly through another contractor and partly through departmental labour at the risk and cost of the original contractor. The department did not recover the risk and cost amount of Rs.75, 900 in the final bill.”

**11-07-1995:** The Department informed the Committee that recovery of the full amount i.e. Rs.75,900 had been effected from the security deposit of the defaulting contractor. **The para was settled subject to verification of recovery.**

#### **98. Para II-A-9: Page 66 – Risk and Cost Amount – Rs.1,762,264**

Audit had observed: “Three contractors failed to complete their works and the department declared them defaulters under clause 3(b) and 3(c) of the agreement in October 1988 and May 1990. The department did not recover additional expenditure of Rs.1,762,264 incurred on balance works at the risk and cost of the original contractors.”

**11-07-1995:** The para was kept pending for balance recovery of the amount with the direction that the Deputy Commissioner should be reminded to effect recovery without further delay. The Collector should also approach the National Highway Authority for the recovery. The Deputy Commissioner should be asked to appear before the Public Accounts Committee to brief the

Committee about the progress of recovery in the present as well as other cases pending with him.

**18-06-2002:** 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 30 November 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.

**99. Para II-A-10: Pages 66-67 – Risk and Cost Amount – Rs.941,196**

Audit had observed: “The balance work of a contractor was re-allotted to another contractor in January 1989 at his risk and cost. The second contractor also became defaulter and the department re-allotted the work to a third contractor in June 1990 at his risk and cost. The recovery of the additional cost of Rs.941,196 recoverable from the contractors was not effected.”

**11-07-1995:** The para was kept pending for balance recovery of the amount with the directive that the DC should be reminded to effect recovery without further delay. The Collector should also approach the National Highway Authority for the recovery. The DC should be asked to appear before the Public Accounts Committee to brief the Committee about the progress of recovery in the present as well as other cases pending with him.

**18-06-2002:** 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 30 November 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.

**100. Para II-A-11: Page 66 – Risk and Cost Amount – Highways Division Rajanpur – Rs.659,589**

Audit had observed: “A contractor abandoned the work and the department re-allotted balance work to another contractor in April 1990 at his risk and cost under clause 3(c) of the agreement. The department did not recover the additional cost of Rs.659,589 from him.”

**18-06-2002:** 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.

**101. Para II-B-1: Page 67 – Recovery of Hire Charges of Machinery and Telephone Charges**

**– Rs.112,900**

Audit had observed: “The division lent out machine to a contractor and made recovery of hire charges of Rs.1, 282,096 only instead of Rs.1, 395,000 due from him. This resulted in less recovery of Rs.112, 900 in April, 1992.”

**11-07-1995:** The Department informed the committee that recovery of Rs.112,900 had been effected but the Committee expressed its displeasure over the delayed recovery after a lapse of about three & half year and directed that a warning to the person responsible for delayed recovery might be issued.

**The para was settled subject to verification of recovery.** The Committee directed that a responsible officer of the Department should contact the Deputy Director Audit for verification and obtain an attendance certificate from them to this effect.

**102. Para II-B-2: Page 68 – Recovery of Hire Charges of Machinery and Telephone Charges – Rs.69,247**

Audit had observed: “The recovery of hire charges of machinery was made @ Rs.225, Rs.250 & Rs.224 per hour instead of Rs.325 and Rs.327 sanctioned in the estimate. This resulted in less recovery of Rs.69, 247 from contractors in November, 1990.”

**11-07-1995: The para was settled subject to verification by Audit,** that P.O.L. was not issued to the contractor for the machinery.

**103. Para II-B-3: Page 68 – Recovery of Hire Charges of Machinery and Telephone Charges – Rs.28,870**

Audit had observed: “The hire charges of machinery amounting to Rs.28, 870 was not recovered from a contractor whose work was subsequently completed by the department in October, 1990.”

**11-07-1995: Subject to verification of the recovery of Rs.28,870 by Audit, the para was settled.**

**104. Para II-B-4: Page 68 – Recovery of Hire Charges of Machinery and Telephone Charges – Highways Division Sahiwal – Rs. 53,932**

Audit had observed: “According to note-2 below Rule 5.13 of Departmental Financial Rules (DFR), Trunk Calls charges are not to be debited to the suspense head “Misc W.P. Advances”. A division, however, irregularly debited an amount of Rs.53,932 in May 1991 to this account as recoverable from a sub divisional officer. The department neither cleared the suspense head nor made any recovery of the outstanding government dues.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**105. Para II-B-5: Page 69 – Recovery of Hire Charges of Machinery and Telephone Charges – Highways Division Multan – Rs.360,000**

Audit had observed: “Hire charges amounting to Rs.360,000 of motor grader let out to a contractor from construction of Talib-wala Bridge Project of the National Highways Authority (from 17th March 1990 to 17th September 1990) were not recovered.”

**18-06-2002:** 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 30 November 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.

**106. Para II-B-6: Page 69 – Recovery of Hire Charges of Machinery and Telephone Charges – Highways Division Bahawalpur – Rs.1,278,651**

Audit had observed: “The division did not effect recovery of hire charges in advance which resulted in non recovery of Rs.1,278,651.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**107. Para II-C-1: Page 70 – Recovery of Bitumen and Dismantled Material – Highways Division Gujranwala – Rs.60,499**

Audit had observed: “The division awarded the work of construction of a bridge over the Lower Chenab in December 1983 to a contractor. The department confiscated his security in March 1988 under clause 3(a) but the recovery of 10.54 metric ton bitumen worth Rs.60,499 issued to the contractor in June 1984 was not made. The contractor took away the material with him from the site. The department neither lodged any report with the Police for unauthorised lifting of the material nor effected recovery of the cost of bitumen.”

**18-06-2002:** 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.

**108. Para II-C-2: Page 70 – Recovery of Bitumen and Dismantled Material – Rs.3.254 Million**

Audit had observed: “Recovery of the cost of bitumen 3890.46 metric ton only was made instead of 4562.68 metric ton provided in the sanctioned estimate on the basis of rate analysis approved by the Standing Rates Committee. This resulted in less recovery of Rs.3.254 million in February, 1992.”

**11-07-1995: Subject to verification of the recovery/record by Audit, the para was settled.**

**109. Para II-C-3: Page 71 – Recovery of Bitumen and Dismantled Material – Highways Division Sahiwal – Rs.33,250**

Audit had observed: “Sub Divisional Officer Chichawatni reported on 14th April 1991 missing empty drums of bitumen and fuel worth Rs.33,250 from the site. Poor watch and ward arrangements resulted in pilferage of government material.”

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**110. Para II-C-4: Page 71 – Recovery of Bitumen and Dismantled Material – Highways Division Sialkot – Rs.1,138,000**

Audit had observed: “The agreement for the work “Renovation and Widening of Sialkot-Gujranwala Road” provided for recovery of Rs.1,138,000 for the dismantled material from a contractor. He had already completed the work and received payment, but the recovery of dismantled material was not effected by the department.”

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**111. Para II-C-5: Page 71 – Recovery of Bitumen and Dismantled Material – Highways Division Sahiwal – Rs.75,000**

Audit had observed: “Approved technical estimate provided for recovery of Rs.186,000 for the cost of the dismantled material of culverts from a contractor. The department recovered only

Rs.75,000 from him in November 1991 and the recovery of the balance amount of Rs.111,000 was not made.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**112. Para II-D-I: Page 72 – Non-Recovery of Secured/Mobilization Advances –Rs.241,212**

Audit had observed: “A secured advance of Rs.1,160,977 was granted in December, 1989 and November, 1990 to a contractor who was declared defaulter in December, 1991. The department did not recover the interest amount of Rs.241,212 @ 12 percent calculated up to 31<sup>st</sup> December, 1991 under clause 7 of the Indenture Bond vide rule 7.34 of the Departmental Financial Rules.”

**11-07-1995:** The Department explained that the stone metal against which the secured advance was allowed had been utilised and consumed on the same work. **The para was settled subject to verification by Audit** that the secured material was utilized and consumed on the same work.

**113. Para II-D-2: Page 72 – Non-Recovery of Secured/Mobilization Advances – Highways Division Pakpattan – Rs.180,000**

Audit had observed: “The division made a payment of Rs.300,000 on account of mobilization advance to a contractor in September 1986 and made recovery of Rs.120,000 only upto November 1986. Thereafter the contractor abandoned the work which resulted in non-recovery of Rs.180,000 of the mobilization advance and interest of Rs.94,143 calculated upto December 1991.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**114. Para II-D-3: Page 73 – Non-Recovery of Secured/Mobilization Advances – Highways Division Pakpattan – Rs.328,119**

Audit had observed: “A contractor who was given secured advance of Rs.328,119 in 1986, abandoned the work in November 1986. The department neither re-allotted the work nor made any recovery of the advance from the contractor till January 1992.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**115. Para II-E-I: Page 73 – Non-Recovery of Minus Bill – Rs.86,066**

Audit had observed: “The division executed the items of road work and prepared minus bill of Rs.86, 066 (yet to be passed), but the recovery of minus bill was not made from the contractor in 1990.”

**11-07-1995:** The para was settled subject to verification of recovery.

**116. Para III-A-1: Page 74 – Non-Recovery of Hire Charges in Advance and Non-Closing of Manufacture Accounts – Highways Division Chakwal – Rs. 297,218**

Audit had observed: “A division made payment of Rs.83,025 to a contractor more than what was due to him on account of work done at site. Moreover, recovery of hire charges of Rs.206,661 and damages claim of Rs.7,532 were not recovered from him. He subsequently, abandoned the work and government had to sustain a loss of Rs.297,218.....The matter was reported to the administrative department in January, 1991 and also discussed in the Departmental Accounts Committee meeting in December 1991. The Department informed the Committee that the amount of recovery was placed in the “Misc. Public Works Advances”. The Committee was not satisfied with the explanation of the Department. The Committee directed the Department to make recovery and got verified from the Audit upto 15th February, 1992, but this was not done.”

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**117. Para III-A-2: Pages 74-75 – Non-Recovery of Hire Charges in Advance and Non-Closing of Manufacture Accounts – Highways Division Gujrat – Rs.214,000**

Audit had observed: “The division did not recover hire charges for machinery amounting to Rs.214,000 in advance as required vide para 4.16(b)(v) of the Buildings and Roads recoverable dues without any justification. This resulted in a loss of Rs.214,000 during 1991.”

**18-06-2002:** 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.

**118. Para III-A-3: Page 75 – Non-Recovery of Hire Charges in Advance and Non-Closing of Manufacture Accounts – Mechanical Maintenance Division Bahawalpur – Rs.11.68 Million**

Audit had observed: “According to Article 162 of the Account Code Volume-III, the manufacture accounts should be closed periodically or once a year. During special and local audits of a division in November 1986 and February 1991 it was noticed that the manufacture accounts were not closed annually as required by the rules. The machines remained engaged on works, but the department failed to realize the hire charges and adjust their out-turn on no profit no loss basis, which resulted in a loss of Rs.11.68 million to government.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**119. Para III-A-4: Page 75 – Non-Recovery of Hire Charges in Advance and Non-Closing of Manufacture Accounts – Mechanical Maintenance Division Bahawalpur – Rs.967,355**

Audit had observed: “The division did not make advance recovery of hire charges as per para 4.16(b)(v) of the Buildings and Roads Code, which resulted in a loss of Rs.967,355 during 1989-90.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**120. Para III-A-5: Page 76 – Non-Recovery of Hire Charges in Advance and Non-Closing of Manufacture Accounts – Highways Division Rajanpur – Rs. 125,954**

Audit had observed: “The division lent out machinery during 1988-89 and 1989-90 and made recovery from a contractor @ Rs.459.40 instead of Rs.531.40 per day and in some other cases no recovery was made. This resulted in a loss of Rs.125,954..... The matter was brought to the notice of the administrative department in January, 1992 and also discussed in the Departmental Accounts Committee meeting in January, 1992. The department failed to inform any progress of the outstanding government dues to the Committee. The department was directed to make recovery upto 28th February, 1992, but this was not done.”

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**121. Para III-A-6: Page 76 – Non-Recovery of Hire Charges in Advance and Non-Closing of Manufacture Accounts – Mechanical Maintenance Division Bahawalpur – Rs.927,463**

Audit had observed: “The division lent out machinery to contractors during 1990-91 but did not recover hire charges in advance as required vide para 4.16(b)(v) of the Buildings and Roads Department Code, which resulted in a loss of Rs.927,463.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**122. Para III-B-1: Pages 76-77 – Non-Accountal/Shortage of Material – Highways Division Chakwal – Rs.392,700**

Audit had observed: “The division issued 598.70 metric ton bitumen for “repairs of works”, but empty bitumen drums were neither accounted for nor disposed of through auction. This resulted in a loss of Rs.392,700 during 1990-91.”

**18-06-2002:** 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 30 November 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.

**123. Para III-B-2: Page 77 – Non-Accountal/Shortage of Material – Highways Division Chakwal – Rs.376,859**

Audit had observed: “A quantity of 41.55 metric ton bitumen was found short during physical verification of stock by the department in February 1991 which resulted in a loss of Rs.376,859 to the government.”

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**124. Para III-B-3: Page 77 – Non-Accountal/Shortage of Material – Highways Division Faisalabad – Rs.290,280**

Audit had observed: “The division issued 297.62 metric ton bitumen and charged direct to repairs works executed through the departmental labour, but it did not account for the empty drums in any record. This resulted in a loss of Rs.290,280 to the government in 1990 and 1991.”

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**125. Para III-C-1: Pages 77-78 – Non-Recovery of Income Tax and Lease Money –Rs.238,023**

Audit had observed: “The division made less recovery of income tax amounting to Rs.238,023 from a contractor in February, 1992.”

**11-07-1995: The para was settled subject to verification of recovery and exemption**

certificate issued by Income Tax Commissioner by Audit.

**126. Para III-C-2: Page 78 – Non-Recovery of Income Tax and Lease Money – Rs.105,531**

Audit had observed: “According to Section 50 of the Income Tax Ordinance, 1979, recovery of income tax @ 3% on the payment made to a contractor should have been made at source, but the division made payment of Rs.8, 893,382 to a contractor in February 1992 and recovered income tax @ 3 percent amounting to Rs.161, 270 instead of Rs.266, 801 which resulted in a loss of Rs.105, 531.”

**11-07-1995: Subject to verification of the recovery of Rs.105,531 by Audit, the para was settled.**

**127. Para III-C-3: Page 78 – Non-Recovery of Income Tax and Lease Money – Bridge Construction Division Bahawalnagar – Rs.29,738**

Audit had observed: “A contractor executed work worth Rs.2,784,318 and received payment accordingly. According to section 50 of Income Ordinance 1979 the department was required to recover/deduct income tax amount of Rs.83,738 @ 3 percent at source from the contractor. The department deducted only Rs.53,529 which resulted in a loss of Rs.29,738 in October 1990.”

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**128. Para III-C-4: Page 79 – Non-Accountal/Shortage of Material – Highways Division Gujrat – Rs.216,128**

Audit had observed: “The division did not recover the lease money form the owners of petrol pumps at the rate of Rs.5000 per annum as per government of the Punjab’s letter No.SOH-II (C&W)1-12/85, of 9th June 1990 which resulted in a loss of Rs.216,128 to the government during 1990-91.”

**18-06-2002: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter and effect recovery, if any. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly

Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**129. Para III-C-5: Page 79 – Non-Accountal/Shortage of Material -Highways Division T.T. Singh – Rs.83,000**

Audit had observed: “The division made recovery of lease money from the owners of the petrol pumps @ Rs.600 and Rs.1,500 per annum instead of Rs.5,000 in contravention of government of the Punjab Memo No.SOH-II(C&W)1-12/85, of 9th June 1990. This resulted in a loss of Rs.83,000 during 1990-91.”

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter and effect recovery, if any. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**130. Para III-D-I: Page 79 – Payments Made at Higher Rates – Rs.112,968**

Audit had observed: “The division paid premium of 200 % on a road structure items instead of 160% approved by the Chief Engineer in December, 1990. The premium of 200% was specified only for triple surface treatment. Payment of incorrect premier resulted in a loss of Rs.112, 968 in January, 1991.”

**11-07-1995:** After a detailed discussion, it was pointed out by Audit that the work was allotted in 12/90 when the Finance Department had issued instructions that the amount of TS should not exceed 10% of the AA and, again, the final expenditure should not exceed four and a half percent of the TS amount. Hence, it was a violation of the Finance Department’s instructions. The Department explained that the scheme was started and its AA was issued in 1988. The items of work indicated in the para amounted only to Rs.3 lac out of a scheme of Rs.13 crore. Although there was a slight deviation of rules yet the Department had completed the work within about 7% over and above the total AA although they had accepted the tenders upto 15% of the AA. Thus, there was an over-all saving.

The Committee accepted the explanation of the Department and **settled the para** with the observation that this decision should not be quoted as precedent in future.

**131. Para III-D-2: Pages 79-80 – Payments Made at Higher Rates – Rs.22,410**

Audit had observed: “The division lent out a machine to a contractor for 249 days and recovered hire charges @ Rs.247 instead of Rs.337 per hour in violation of sanctioned estimate of the machine. This resulted in a loss of Rs.22, 410 to the government in April, 1991.”

**11-07-1995:** The Department explained that the recovery of Rs.22,410 had been effected from the security of the contractor. **Subject to verification of recovery by Audit, the para was settled.**

**132. Para III-D-3: Page 80 – Payments Made at Higher Rates – Bridge Construction Division Bahawalnagar – Rs.452,172**

Audit had observed: “The division made a separate payment of Rs.452,172 on account of lifting, erecting and placing of beams and girders which was included in item No.5(a)(i) page 52 of the Composite Schedule of Rates (CSR) 1979. This resulted in an additional expenditure on this account in October 1989.”

**18-06-2002:** 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 30 November 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.

**133. Para III-E-1: Pages 80-81 – Payments Made at Higher Rates – Highways Division Rajanpur – Rs.36,750**

Audit had observed: “A division paid secured advance of Rs.36,750 to a contractor on 21000 cft stone gravel of sub base. Later on, the contractor abandoned the work and the department re-allotted the balance work to another contractor. The department did not effect recovery of the secured advance along with interest as per clause 7 of the indenture bond from the original contractor. This resulted in a loss of Rs.36,750..... The matter was also discussed in the Departmental Accounts Committee meeting in January, 1992. The department failed to inform any progress of recovery of the Government dues. The committee directed the department to make recovery immediately. Despite repeated reminders nothing was heard from the department.”

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**134. Para III-F-1: Page 81 – Payments Made at Higher Rates – Highways Division T.T. Singh – Rs.147,155**

Audit had observed: “The division awarded the work ‘construction of a road’ to a contractor in 1983, but he failed to complete the work within the scheduled period. Subsequently, he abandoned the work, but the department did not initiate any action against him as per provision of the agreement. In March 1987 the department re-allotted the left over work to another contractor at the risk and cost of the defaulting contractor who went for arbitration against the department in June 1987. The department did not pursue the case and the Court decided the case against the department. Improper follow up by the department resulted in a loss of Rs.147,155 to the government.”

**18-06-2002:** 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.

**135. Para III-G-1: Page 82 – Loss due to Excessive Measurements – Rs.414,911**

Audit had observed: “A division executed the item of reinforced cement concrete (RCC) and made payment for thickness of 18 inches instead of the admissible thickness of 14 inches as per approved standard design by the Directorate of Bridges for construction of culverts/causeways in all schemes of restoration of flood damages in Punjab. Deviation from the approved standard design resulted in a loss of Rs.414,911 in November, 1991.”

**11-07-1995:** The explanation of the Department was accepted and **para was settled subject to verification of relevant record** by Audit.

**136. Para IV-1: Page 83 – Non-Accountal of Govt Material – Highways Division Sialkot – Rs.152,955**

Audit had observed: “The division did not take on stock 15 metric ton bitumen worth Rs.152,955 (present rate of Rs.9000 per ton+3%+10% storage and supervision charges) received back from Highways Division in January 1992.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**137. Para IV-2: Page 83 – Non-Accountal of Government Material – Rs.922,565**

Audit had observed: “The division purchased bajri and stone metal for Rs.922,565 from different contractors/suppliers during 1990-91. The material was neither taken on road metal return nor its consumption was available on the record.”

**11-07-1995:** The para pertained to non-accountal of government material worth Rs.922,565. The Department explained that accountal of material worth Rs.268,845 had been got verified by Audit as a result of which the para had been reduced to Rs.653,720. The Department was directed to produce the record to Audit for the accountal of material worth Rs.653,720. The Para was kept pending.

**18-06-2002:** Reiterating the decision of the PAC dated 11 July 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**138. Para IV-3: Pages 83-84 – Payments Made at Higher Rates – Highways Division Sahiwal**

Audit had observed: “The division issued 52(37+15) metric ton bitumen and charged direct to a work in June and December 1988. The material remained at site Account upto June 1989. Neither its consumption was proved from any record nor it was issued to any contractor for use on the work. In June and August 1990, the department issued a further quantity of 32.05 metric ton bitumen from stock for use on the work. It is obvious that the material issued earlier in June and December 1989 was not available at site necessitating issuance from stock.”

**18-06-2002:** 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 30 November 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.

**139. Para IV-4: Page 84 – Payments Made at Higher Rates – Highways Division Sahiwal – Rs.127,254**

Audit had observed: “Technical estimate sanctioned by the Chief Engineer concerned in August 1990 for Rs.507,000 did not provide for execution of special repairs for mile 18 of the (Sahiwal-Arifwala-Qabula-Bahawalnagar) road. The department issued bitumen, bajri base course material etc worth Rs.127,254 from store and charged direct to the work in October 1989. No documentary evidence for transportation of the material was available with the department. The

department recorded measurements of the special repairs work in a continuous length and width of 1770 and 15 feet respectively which were not supported by the approved estimates. Moreover, the diesel road roller No.14775 shown working in the measurement book on the work under question remained in operation on another work of special repairs on Adda Kameer road from 4th October 1989 to 25th October 1990. The carriage of material shown through truck No.MN-4790 in October 1990 had already been lost in September 1990. Hence, all the record entries made in October 1990 for consumption of the materials worth Rs.127,254 are not justified.”

**18-06-2002:** 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 30 November 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.

**140. Para IV-5: Pages 84-85 – Payments Made at Higher Rates – Highways Division Sahiwal – Rs.102,256**

Audit had observed: “Material (bitumen, stone metal, fuel wood and empty drums) worth Rs.102,256 issued from stock in January and February 1990 to different works were not accounted for and consumed on the work as prescribed in the rules. The relevant Road Metal Returns (RMR) and the Stock Account for February 1991 submitted to Divisional Office did not reflect the accountal and consumption of the material under objection. The department also suspended one of its sub-engineers on the charge of misappropriation.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**141. Para IV-6: Page 85 – Payments Made at Higher Rates -Highways Division Sahiwal – Rs.27,577**

Audit had observed: “The division made fictitious record entries for the item of base course and measured the area of the base course more than that of the area of the triple surface treatment approved in the estimate. Hence, fictitious consumption of the material worth Rs.27,577 was recorded in September 1990.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**142. Para IV-7: Page 85 – Payments Made at Higher Rates – Highways Division Sahiwal – Rs.672,000**

Audit had observed: “During physical verification of stores in March, April and May 1991 by the Sub Divisional Officer, 71.93 metric ton bitumen was found short against three Sub Engineer. Misappropriation of the material worth Rs.672,000 cannot be ruled out.”

**18-06-2002:** 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 30 November 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.

**143. Para IV-8: Page 86 – Payments Made at Higher Rates – Highways Division Sahiwal – Rs.435,265**

Audit had observed: “During physical verification in January 1991 by the department, 342 bitumen drum worth Rs.435,265 were found empty in the store.”

**18-06-2002:** 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 30 November 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.

**144. Para IV-9: Page 86 – Payments Made at Higher Rates -Highways Division Sahiwal – Rs.175,988**

Audit had observed: “60 metric ton bitumen was issued from store in June and December 1988, but its consumption account was not available with the department even in March 1991. During handing and taking over charge by Sub Engineers in March 1991, a quantity of 19.88 metric ton amounting to Rs.175,988 was also found short against a sub engineer.”

**18-06-2002:** 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 30 November 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.

**145. Para IV-10: Page 86 – Payments Made at Higher Rates – Highways Division Sahiwal – Rs.160,906**

Audit had observed: “15.58 metric ton bitumen was issued special repairs of Sahiwal-Arifwala-Qabula-Bahawalnagar road in January 1990. The consumption of the material was not substantiated because the diesel road roller (DRR) shown working on the work referred to above, was working on Noor Shah-Gogera Road during the period as per log book of the machine. During January 1990 further twenty metric ton bitumen was issued for annual repairs of the same work. Moreover, the stock account adjusted upto April 1990 did not show accountal of the material issued in January 1990. Hence mis-appropriation of the material worth Rs.160,906 cannot be ruled out.”

**18-06-2002:** 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 30 November 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.

**146. Para IV-11: Page 87 – Payments Made at Higher Rates – Highways Division Sahiwal – Rs.106,200**

Audit had observed: “After occurrence of theft incident in the stores of the division, executive engineers of Sahiwal divisions I & II inspected the stores and observed that the stock register was closed from January 1991 and instead a new stock register was opened by a sub engineer because his predecessor from whom he took over the charge, recorded/handed over less quantity. According to the old stock register there existed 704.34 metric ton bitumen (4528 drums), but a quantity of 12 metric ton (35 drums) was reported by the sub engineer (predecessor) to have leaked due to hot weather. The accused Sub Engineer never reported the issue of leakage of bitumen to his supervisory officers earlier. Hence, mis-appropriation of the material worth Rs.106,200 cannot be ruled out.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**147. Para IV-12: Page 87-88 – Payments Made at Higher Rates – Highways Division Sahiwal – Rs.61,676**

Audit had observed: “Fictitious record entries for the consumption of 3.93 metric ton bitumen costing Rs.61,676 were made in the road metal return (RMR) in August 1990 on the basis of indent issued in September 1990.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**148. Para IV-13: Page 88 – Payments Made at Higher Rates – Highways Division Sahiwal – Rs.47,148**

Audit had observed: “7.62 metric ton bitumen was issued from store in December 1989 and charged to the maintenance of a road. The material was neither taken on road metal return nor the indent was accounted for in the monthly account up to May 1991. Misappropriation of the bitumen worth Rs.47,148 cannot be ruled out.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**149. Para IV-14: Page 88 – Payments Made at Higher Rates – Highways Division Sahiwal – Rs.229,364**

Audit had observed: “According to Article 160 of Account Code Volume-III the out-turn of vehicles should be prepared monthly and its adjustment be incorporated in the Monthly Account of a division. Jeep No. SLD-6220 remained under the use of sub divisional officer Chichawatni from October 1989 to December 1990, but he did not submit the out-turn of the vehicle to the divisional office. Hence, the POL worth Rs.229,364 issued during the period from November

1989 to January 1991 to the vehicle was not adjusted. The sub divisional officer, Chichawatni who was suspended on the charge of misappropriation of bitumen in December 1990 did not hand over the relevant log book to his successor. Since no out-turn and manufacture account of the vehicle was submitted, it is apprehended that the government vehicle was misused.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**150. Para V-A-1: Page 89 – Acceptance of Tenders at Higher Rates – Highways Division Sahiwal – Rs.503,852**

Audit had observed: “Delegation of Financial Powers authorizes engineering departments to accept tenders within 4.5% above the amount of technical sanction. In a division a Superintending Engineer accepted the tenders at 14.45% higher than technical sanction in violation of the ceiling fixed by the government which led to an extra expenditure of Rs.503,852 in February 1991.”

**18-06-2002:** 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 30 November 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.

**151. Para V-A-2: Pages 89-90 – Acceptance of Tenders at Higher Rates -Highways Division Khanewal – Rs.1,246,294**

Audit had observed: “Delegation of Financial Powers authorizes engineering departments to accept tenders within 4.5% above the amount of technical sanction. In a division a Chief Engineer accepted the tenders in October 1990 at high rates by including the amount of three percent contingency and 10% cushion in the comparative statement of tenders. The department accepted tenders in excess of the ceiling of 4.5 percent fixed by the government for acceptance of the tenders, which led to an extra expenditure of Rs.1,246,294 to the government.”

**18-06-2002:** 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 30 November 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.

**152. Para V-A-3: Page 90 – Acceptance of Tenders at Higher Rates – Highways Division  
Rahim Yar Khan – Rs.7,856,888**

Audit had observed: “Engineering departments are authorised to accept tenders upto 4.5 percent above the amount of technical sanction. In a division a Chief Engineer accepted tenders at 16.36 percent in excess of the amount of technical sanction. Hence, tenders were accepted in violation of the ceiling fixed by the government which led to an extra expenditure of Rs.7,856,888 in May 1990.”

**18-06-2002:** 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.

**153. Para V-A-4: Pages 90-91 – Acceptance of Tenders at Higher Rates -Highways Division  
Bahawalnagar – Rs.2,857,131**

Audit had observed: “Superintending Engineer, Bahawalpur splitted the scheme into different groups in violation of para 2.70 of Buildings and Roads Department Code and allotted four groups of work on 3.22, 12.90, 14.41 and 38.87 percent above 15 percent permissible ceiling fixed in Delegation of Financial Powers for acceptance of tenders. Unauthorised acceptance of tenders beyond the permissible limit resulted in an extra expenditure of Rs.2,857,131 in April 1989.”

**18-06-2002:** 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.

**154. Para V-B-1: Page 91 – Unauthorised Consumption of Bitumen – Highways Division  
Sahiwal – Rs.175,910**

Audit had observed: “55.37 metric ton bitumen was issued in violation of technically sanctioned estimate which provided only for 21 metric ton for annual repairs of a road. The department did not record measurements of the work done. This resulted in an unauthorized issue of 34.37 metric ton bitumen valuing Rs.210,720 and unauthenticated consumption of 28.37 metric ton bitumen accounting to Rs.175,910 shown consumed in January and December 1990.”

**18-06-2002:** 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 30 November 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.

**155. Para V-C-1: Page 92 – Decreasing Scope of Work Having Low Rates – Highways Division Sahiwal – Rs.45,900**

Audit had observed: “A contractor quoted rates of 18.37 percent above schedule rates and 28.94 percent below schedule rates for Road Work and Road Structure respectively. The Engineer Incharge reduced the scope of work of road structure and used the saving un-authorizedly on the road work in violation of the approved estimates. This resulted in an unauthorized payment of Rs.45,900 to a contractor in April 1991.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**156. Para V-D-1: Pages 92-93 – Doubtful Repairs of Machines – Mechanical Maintenance Division Bahawalpur – Rs.2,075,822**

Audit had observed: “The division made payments of Rs.2,075,822 on account of repairs of machines in October 1990, which being unjustified and doubtful were placed in the Misc. P.W. Advances” in October 1990 by the successor Executive Engineer recoverable from the officers responsible. ....The case also came upon the agenda of the Departmental Accounts Committee meeting in December 1991. The inquiry was still reported to be under process.”

**18-06-2002:** On consideration of the facts of the case, the Committee directed that the Department shall **submit the inquiry report** as reported in the para within 15 days for consideration by the Committee.

**157. Para VI-A-1: Page 93 – Embezzlement of Public Money – Highways Division Rawalpindi – Rs.144,002**

Audit had observed: “Some of the officials of the division prepared bogus challans and embezzled public money amounting to Rs.284,170 in June 1987 due to loose supervisory controls. One of the official deposited Rs.144,002, but the balance amount of Rs.140,168 was still recoverable.”

**18-06-2002:** 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.

**158. Para VI-B-1: Page 94 – Payment by Making Fictitious Record Entries of Secured Material – Rs.340,200**

Audit had observed: “The division made an undue payment of Rs.340, 200 in November, 1990 account of secured advance for crush bajri to be used in carpeting of road. The secured material was shown consumed subsequently in the 11<sup>th</sup> running bill (yet to be paid) whereas no bitumen was issued to the contractor for use in carpeting. Moreover, no record entry for carpeting was made. Hence, the consumption of the secured material without any record entry for carpeting was made simply to adjust the undue payment of the secured advance.”

**11-07-1995: The para was settled subject to verification of relevant record** showing the consumption of secured material i.e. M.Bs, Contract Agreement, T.S. Estimate and final bill by Audit.

**159. Para VI-B-2: Pages 94-95 – Payment by Making Fictitious Record Entries of Secured Material – Rs.238,673**

Audit had observed: “Secured advance of Rs.662,046 was paid to a contractor on the security of 120373 cft. stone for base and sub courses. The department remeasured the material at site and the quantity of the secured material determined after remeasure which was 83926 cft instead of 120373 cft. Bogus record entries resulted in an excess payment of Rs.238,673 in November 1990.”

**11-07-1995:** The Department informed the Committee that the case of recovery from the contractor was sub judice. The Public Accounts Committee directed the Department that the case should be pursued vigorously and an early decision might be obtained. The para was kept pending.

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**160. Para VI-B-3: Page 95 – Embezzlement of Public Money – Highways Division Vehari – Rs.40,225**

Audit had observed: “The division measured sub base course for 40300 rft and made payment to a contractor. The base course is always laid over the length of the sub base course, but

the department measured the base course for 51935 rtf. instead of 40300 rft. (the length of the sub base course). The department thus made fictitious and bogus record entries in a length of 11635 rft. which resulted in fictitious payment of Rs.407,225 in June 1991.”

**18-06-2002:** 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 30 November 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.

**161. Para VII-1: Page 96 – Execution of Work Below Specification – Highways Division Sahiwal – Rs.1.073 Million**

Audit had observed: “The division allotted a work “construction of road from Kassowal to Chak No.166/9-L” in October 1988 to a contractor at a cost of Rs.5,139,670. In October 1989 the regional laboratory of the department carried out quality tests of the completed work and it recorded its dissatisfaction over the quality of work executed between reaches 26000 and 50800 because the thickness of sub base and base courses and their compaction were not found according to the approved specifications. Hence, the laboratory declared the work of 1.073 million as sub standard and below specifications.”

**18-06-2002:** 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 30 November 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.

**162. Para VII-2: Pages 96-97 – Execution of Work Below Specification – Highways Division Sahiwal – Rs.146,193**

Audit had observed: “The technical estimate sanctioned by the Superintending Engineer in January 1991 provided for execution of earth work of 3120562 cft for embankment with height of 3.12 feet, but in violation of the approved design and scope of work, the department reduced the height of the embankment from 3.12 feet to 2.16 feet and the quantity from 3120562 cft. to 2315755 cft, which resulted in execution of substandard work costing Rs.146,193 in April 1991.”

**18-06-2002:** 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 30 November 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.

**163. Para VII-3: Page 97 – Execution of Work Below Specification – Highways Division Pakpattan – Rs.639,921**

Audit had observed: “The division measured and paid the thickness of base course from 4.25 inch to 5.50 inch in 9677 rft. in violation of specification 551-3.9 and approved design of 6 inch. Loose supervisory and technical controls resulted in execution of substandard work costing Rs.639,921 in May 1991.”

**18-06-2002:** 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 30 November 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.

# Education Department

## Overview

Total Paras	Civil	Works
77	67	10

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled</b>  <b>17</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 5.3, 5.7, 5.8, 5.9, 5.11, 5.12, 5.14, 5.17, 5.18, 5.19, 6.6(1), 6.20, 6.28, 6.32, 6.43, 6.45, (5.6 transferred to Labour Department)	<b>17</b>
<b>Paras Conditionally Settled</b>  <b>52</b>	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.	<b>Civil:</b> 5.1, 5.2, 6.5, 6.8, 6.16, 6.27, 6.31, 6.36, 6.41, 5.10, 5.13, 5.15, 5.16, 6.2, 6.4, 6.6(2), 6.6(3), 6.7, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.17, 6.18, 6.19, 6.21, 6.22, 6.23, 6.24, 6.25, 6.26, 6.29, 6.30, 6.33, 6.34, 6.35, 6.37, 6.38, 6.39, 6.40, 6.42, 6.44, 6.46	<b>46</b>
		<b>Works:</b> II-B-2, I-A-1, I-B-1, I-B-2, II-A-1, II-B-1	<b>6</b>
<b>Paras Pended</b>  <b>8</b>	Paras pended either because the Department had not taken satisfactory action or the working papers had not been submitted.	<b>Civil:</b> 5.4, 5.5, 6.1, 6.3	<b>4</b>
		<b>Works:</b> III-1, III-2, III-3, III-4	<b>4</b>

Discussed on 8-9 August 1995, 9 March 12 July 1999, and 17-18 June 2002

## Civil Audit

### 1. Para 5.1: Page 24 – Less Deposit/Non-Collection of Tuition Fee Amounting to Rs.528,236

Audit had observed: “Tuition Fee to the above stated amount was found either not realized or less

realized. Actually these amounts were required to be collected and deposited in April 91 and Oct. 91 as required vide para 7(1) of S.T.R, Punjab. The preliminary audit observation was simply noted for compliance.”

**08-08-1995:** The Department explained that recovery in excess of the amount worked out by Audit had been effected and deposited with the Government. An inquiry was also being conducted to ascertain the actual amount of tuition fee/funds realized during 4/91 to 11/91 and whether the amount realized related to 4/91 to 11/91 or otherwise.

The Department was directed to reconcile the record with Audit and get the recovery verified within one month. The para was kept pending.

**09-03-1999:** The Department explained that after reconciliation the actual amount came to Rs.344,271 instead of Rs.528,236 which had been verified from the relevant record by the D.G., Audit. The difference of Rs.183,965 was due to migration of some students to other colleges, the amount deposited for change of subjects from Science to Arts and half fee concession and striking off names of some of the students due to non deposit of tuition fee etc.

The PAC observed that the loss sustained by Government was due to the negligence of the Principal of the college and his office staff. The PAC directed that an inquiry may be conducted for fixing responsibility and the officer/official found responsible be proceeded against under E&D Rules. The para was kept pending.

**17-06-2002:** 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 9 April 1999 by 30 November 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para 5.2: Page 24 – Non-Accountal of Sports Material – Rs.369,334**

Audit had observed: “Sports material of the stated value was not entered in the stock register.”

**08-08-1995:** The Department explained that all the requisite documents i.e. vouchers, quotations, Stock Register and the bill were shown to Audit except issue register which would be produced later on. Audit contended that entries were not found recorded in the stock register and it should be produced to them for verification of the fact that whether the issue entries were old or new.

The para was kept pending for verification on stock register by Audit.

**09-03-1999:** The Department explained that all the entries of the purchase of sports material existed on the stock register. However high level inquiry committee had been constituted to probe into the matter.

Audit apprised the Committee that stock entries seemed to have been made later on or by overwriting. Store articles valuing Rs.11,796 were found short during physical inspection. Consumption account and stock registers also showed variance.

The PAC directed to finalize the inquiry before the commencement of the next meeting and submit the findings of the inquiry before the PAC. The para was kept pending.

**17-06-2002:** 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 30 November 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 5.3: Page 25 – Purchase Without Quotations Worth Rs.218,532**

Audit had observed: “Library books and equipments worth Rs.218,532 (detailed below) were purchased without calling competitive rates/tenders against Rule 15.2 (d) of PFR Vol.I, which states that purchases should be made after obtaining quotations from the open market.”

**08-08-1995:** (1) It was explained that open competitive tenders were not required for the purchase of books as per letter of the Ministry of Education, Department of Libraries, Islamabad.

The PAC accepted the explanation and settled the part (1) of the Para.

(2) The Department could not produce, comparative statement, quotation etc to Audit for verification. The PAC directed that Director General, Technical Education should hold inquiry to decide whether the purchase of equipment was made after observing codal requirement. Inquiry should be completed within 2 months. The para (to the extent of Rs.118,567) was kept pending.

**09-03-1999:** The Department explained that inquiry had been conducted. The Inquiry Officer had reported that the purchase of equipment was made after observing all the codal requirements and no irregularity had been committed.

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

### **4. Para 5.4: Page 25 – Record Showing the Expenditures of Rs.181,896 Not Produced**

Audit had observed: “Store articles of stated value were shown as purchased but sanction/sub-vouchers/stock entries and actual payee’s receipts in support thereof were not produced in contravention of provisions of Financial Rules 1.10(5).8.2.(I)8.7, 15.4(a) and 8.5 of P.F.R VOL.I.”

**08-08-1995:** The Department informed the Committee that no Annual Administrative and Technical Inspection had been done during the last nineteen years.

The Committee wondered as to how, in the absence of said Inspection the Department could maintain internal and external control. The Department was directed to ask for the explanations of the officers responsible for not carrying out Annual Administrative and Technical Inspection within one month. The para was kept pending.

**17-06-2002:** The Committee decided that the facts of the case required further examination. For the purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

#### **5. Para 5.5: Page 26 – Non-Production of Record Showing Transaction of Rs.161,979**

Audit had observed: “The amount of Rs.161,979 was drawn by the Principal, Government College for Women Satellite Town, Gujranwala, but supporting documents i.e. supplier’s bill/tenders/quotations/stock registers etc. were not produced to audit for scrutiny. The non production of record was brought to the notice of college authorities for investigation.”

**08-08-1995:** The Department explained that requisite record was shown to Audit. Audit apprised the Committee that proper accountal of the material was not shown to Audit and in the absence of proper accountal of the material in stock register authenticity of the purchase could not be certified by Audit.

The PAC directed that D.P.I. should investigate the matter personally and certify in the next meeting that all the record relating to purchase of material and proper accountal as well as consumption of the store was correct. The para was kept pending for the above certification.

**09-03-1999:** The Department explained that original record/documents were produced to the D. G. Audit which had been verified. The recovery of an amount of Rs.1832 on account of purchased stationery had been deposited into the relevant fund account i.e. General Fund.

The Committee observed that the record had been tampered, forged entries had been made in the stock register and all the relevant record seemed to have been prepared after Audit inspection. Moreover, recovery of Rs.1832 made it clear that the amount was drawn illegally. The Committee took serious notice of the lapse on the part of the Principal of the Collage and directed the Administrative Secretary that the said Principal may be transferred from the college within three days. The Administrative Secretary apprised the Committee that transferring the head of the Institution did not come within the ambit of his powers. The power laid with the Chief Minister. The Administrative Secretary assured the Committee that he would move a summary to the Chief Minister for her transfer as directed by the Committee. The Committee further directed that an inquiry may be conducted to probe into the matter and findings of the inquiry be submitted before the Committee in the next meeting. The para was kept pending.

**17-06-2002:** 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.

#### **6. Para 5.6: Page 26 – Shortage of Store – Rs.88,502**

Audit had observed: “Store articles were found short at the time of change over of the charge of the persons who have since been transferred to other Technical Training Centres of Punjab.”

**08-08-1995:** The explanation of the Department was accepted and **the para was transferred** to the Labour Department.

#### **7. Para 5.7: Page 27 – Non-Production of Record – Rs.60,731**

Audit had observed: “A sum of Rs.60,731 was drawn from Government treasury and shown as paid on the payment side of the cash book of the institution. Neither the original vouchers nor actual payee’s receipts of the amount were produced in support of expenditure.”

**08-08-1995:** The Department explained that record pertaining to Rs.53,908 had been got verified by Audit and therefore the para was reduced to Rs.6,822. The Department was directed to get the stock entries pertaining to Rs.6,822 verified by Audit within one month. The para was kept pending.

**09-03-1999:** The Department explained that the relevant record pertaining to stock entries in respect of purchase of books amounting to Rs.6,822 had been got verified by Audit.

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

#### **8. Para 5.8: Page 27 – Drawal of Amounts in Advance and Opening of Bank Account without Approval of Finance Department – Rs.51,666**

Audit had observed: “Following amounts were drawn from Government account in advance and deposited with NBP Pindi Gheb Branch against Account No.PLS-3419 on:-

25-10-1987	Rs. =	5000-00
-do-	Rs. =	20000-00
15-12-1988	Rs. =	6666-00
02-12-1990	Rs. =	20000-00
<b>Total</b>	<b>Rs. =</b>	<b>51666-00</b>

The advance drawals were made without sanction of the Finance Department and placing of Government money with a Commercial Bank without the permission of Finance Department was against the provision of Rules 7(1) &9(1) of the Punjab Treasury Rules read with FD’s letter No.FD (FR) V-6/25, dated 25.10.78.”

**08-08-1995:** The Committee observed that although placing of Government money in a private bank was an irregularity but, it appeared that this was not committed with any *mala fide* intention.

Therefore, the para to the extent of Rs.33,511 deposited into Government Treasury was settled.

As regards the second part, the Department was directed to get the utilization of Rs.22,168 verified by Audit within one month. The para was kept pending.

**09-03-1999:** The Department explained that Rs.33,511 had been deposited in the Government Treasury and the remaining amount of Rs.22,168 had been utilized on the repair of furniture. The position had also been got verified by Audit. The explanation of the Department was accepted and **the para was settled.**

#### **9. Para 5.9: Page 28 – Non-Recovery of Advance From Funds – Rs.38,407**

Audit had observed: “An amount of Rs.38,407 was drawn from the funds for payment to various officers/officials as loans & advances without any rule, which was not recovered & refunded.”

**08-08-1995:** The Department explained that out of the total amount of Rs.38,407, a sum of Rs.37,000 had been recovered and verified by Audit leaving a balance of Rs.1,000. The amount of Rs.1,000 had been spent on the refreshment of children teams. **The para was settled accordingly.**

#### **10. Para 5.10: Page 28 – Non-Accountal of Store Articles Valuing Rs.44,718**

Audit had observed: “Store articles of the stated value were neither taken on the stock register nor issuance thereof, shown anywhere in contravention of Rule 15.4(a) and 15.5 of P.F.R Vol.I.”

**08-08-1995:** The Department explained that the present Principal of the College had stated that no record pertaining to said store articles was available.

The Committee directed that the Department should trace out the Principal who remained incharge of the college during the period of irregularity, fix responsibility and effect recovery from her within 2 months. The para was kept pending.

**17-06-2002:** 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 8 August 1995 by 30 November 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 5.11: Page 29 – Shortage of Store Articles – Rs.43,653**

Audit had observed: “Store articles valuing Rs.43,653 were found short at the time of departmental physical verification of stock during 1990-91.”

**08-08-1995:** The Department informed the Committee that as per physical checking of stores conducted by the Investigation Committee, articles worth Rs.13,315 were available in the Institute.

The Committee accepted the contention of the Department and, the para was reduced to Rs.30,338. The Department was directed to effect recovery of Rs.30,338 from the Principal within two months alongwith disciplinary action. The para was kept pending.

**09-03-1999:** The Department explained that the total amount of Rs.30,338 had been recovered from Mrs Naheed Begum, Principal, Government Vocational Institute for Women, Baghbanpura, Lahore from her salary bills. Disciplinary action had been finalized and she had been given minor penalty of “censure”. The position had been verified by Audit. The Committee accepted the explanation and **settled the para.**

**12. Para 5.12: Page 29 – Non-Deduction of Assessed Rent of Rs.36,288 From Lecturers Residing in the College Hostel and Consequential Loss to Provincial Revenues**

Audit had observed: “Twelve lady lecturers were residing in the college hostel. Rent of residential portion of the building had been assessed by the Executive Engineer 2nd Provincial Building Division @ Rs.84 P.M per lecturer. The amount thus recoverable from 7/88 to 6/91 worked out to Rs.36,288.”

**08-08-1995:** As the recovery of Rs.36,288 had been verified by Audit, **the para was settled.**

**13. Para 5.13: Page 30 – Non-Recovery of House Rent – Rs.32,175**

Audit had observed: “The staff was residing in Government accommodation but recovery on account of house rent @ 5% of pay was not made from their pay.

In reply to preliminary observation it was stated that the accommodation was not according to the status of staff. The contention of the Department was not convincing.”

**08-08-1995:** The Department explained that additional house rent at the rate of 5% had been sanctioned for part-time hostel wardens; therefore recovery pertaining to 5% was not to be deducted as per letter of the Finance Department in this regard. Resultantly, the para was reduced to Rs.19,785 The Department was directed to effect recovery by deputing some responsible officer within two months. The para was kept pending.

**17-06-2002:** 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 8 August 1995 by 30 November 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 5.14: Page 30 – Non-Deposit of Tuition Fee Amounting to Rs.26,844**

Audit had observed: “Tuition fee was realized from the students in August, 1985 to October,

1985 but was not deposited into Government treasury in contravention of Rule 4.1 of PFR Vol.I & rule 7 (I) of sub-treasury rules.

**08-08-1995:** The para was settled subject to verification of record and satisfaction of Audit.

**09-03-1999:** The Department explained that tuition fee amounting to Rs.26,844 had been deposited into Government Treasury and verified by Audit. **The para was settled.**

**15. Para 5.15: Page 31 – Non-Refund of Lab. Security to Students and Non-Payment of Electricity Bills Amounting to Rs.26,531**

Audit had observed: “An amount of Rs.28,258 as detailed below was drawn from library & Hostels security funds for return to students and for payment of electricity bills of the hostel. The record did not prove refund to the students concerned. The amount of Rs.7081/- stated to have been paid for electricity bills, out of Rs.8808/- was not expended. The amount of electricity bills for the period from January 1991 to May 1991 was paid by the students from their own pockets.”

**08-08-1995:** The Department explained that an amount of Rs.8,600 had been disbursed to the students and Rs.7,081 were to be recovered.

The PAC directed that disbursement record of Rs.8,600 might be got verified by Audit. The recovery of Rs.7,081 should be pursued vigorously rather Secretary should pursue at personal level and finalize recovery within 2 months. The para was kept pending.

**17-06-2002:** 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 8 August 1995 by 30 November 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 5.16: Page 32 – Record Showing Transaction of Rs.26,000 Not Produced**

Audit had observed: “The above amount was shown spent on the printing of prospectus for students on the eve of new admission. The Connected record viz-tender comparative statements etc., sale proceed deposits and balance in hand etc. were not produced.”

**08-08-1995:** Explanation of the Department was accepted and the para was reduced to the extent of Rs.2,575. The para was kept pending for recovery of Rs.2,575.

**17-06-2002:** 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 8 August 1998 by 30 November 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 5.17: Page 32 – Shortage of Store Articles Valuing Rs.17,353**

Audit had observed: “The scrutiny of property/furniture stock register and physical verification of store and stocks revealed that the articles of the stated amount were found short as per note at page 33 of the register. No effort was made for the recovery of the cost of articles found short as required under Rule 15-16 and 15-17 of PFR Vol.I.”

**08-08-1995:** Store articles worth Rs.17,353 were found short on 7-1-1985 at the time of physical verification of Store. The Department explained that on 01-11-1994 the Director Education (Colleges), Gujranwala inquired into the matter and reported that all the articles of furniture worth Rs.17,353 were available but in inserviceable condition.

The Committee observed that both the reports i.e. of 7-1-1985 and 1-11-1994 were prepared by the Department and both were contradictory. The Department was directed that complete record of physical verification reports from 7-1-1985 to 12/1994 might be produced to Audit within a month for verification. The para was kept pending.

### **Special Directive**

It was apprised by Audit that the Department was neither using the standard format of Stock Register nor uniform procedure was adopted for making entries therein. Therefore, the PAC directed that Department should use the standard format of Stock Register in all the offices.

**09-03-1999:** The Department explained that the entire recovery of Rs.17,353 had been effected, deposited into Government Treasury and verified by Audit.

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

### **18. Para 5.18: Page 33 – Irregular Drawal of House Rent Allowance Amounting to Rs.15,715 and Payment of Electricity and Sui Gas Charges at Government Expense**

Audit had observed: “Well furnished residential accommodation constructed since July, 1983 was provided on the first floor of institution to the Principal. Instead of occupying this accommodation,

the Principal was living in a room of the institution to save his house rent allowance. The residence was thus lying vacant and the expenditure incurred on its construction was wasted and needed justification. Payment of electricity & sui gas charges at Government expense of the room occupied by the Principal also needed justification & disciplinary action/recovery.”

**08-08-1995:** The Committee directed that (1) the amount recoverable from the late Principal, Government Vocational Institute for Women, Gujranwala should be got written off by the competent authority; and this part of para was settled subject to write of sanction by the competent authority, (2) (i) since residential accommodation was available in the Institute premises, recovery of house rent allowance plus five percent deduction from the salary plus electricity and Sui Gas charges, pertaining to 25 months, should be recovered from Mst. Surriya Manzoor; (ii) amount of Rs.1,976 already recovered should be got verified by Audit and the remaining, as pointed out by Audit, should be recovered. The para was kept pending.

**09-03-1999:** The Department explained that according to the previous decision of the PAC the balance amount of Rs.13,739 had been recovered from the salary of Principal, Government Vocational Institute for Women, Gujranwala and verification certificate had been obtained from the concerned Accounts Officer. Audit had verified the position. The PAC accepted the explanation of the Department **and settled the para.**

#### **19. Para 5.19: Page 33 – Non-Recovery of House Rent – Rs.14,177**

Audit had observed: “Certain officers were residing in Government accommodation but recovery on account of house rent was not made from their salaries which was in violation of FD letter No.FD(P.C) 21-1/77, dated 16.5.77 read with FD letter No.FD(PR)-21-1-1/90 dated 13.2.90.”

**08-08-1995:** The Department explained that an amount of Rs.7,577 according to the assessment of Building Department had been deposited with the Government leaving a balance of Rs.6,600.

The explanation of the Department was accepted and the para was settled as a special case with remarks that this would not be quoted as precedent in other such cases and recovery of Rs.6,600 from the Principal and its verification by Audit. The D.P.I was also directed to ensure that wherever accommodation was available the same was occupied by the incumbents according to rules.

**09-03-1999:** The Department apprised the PAC that the balance amount of Rs.6,600 had been affected, deposited into Government Treasury and verified by Audit. **The para was settled.**

#### **20. Para 6.1: Record Worth Rs.8,960,892 Not Produced.**

Audit had observed: “The Dy.Distt. Education Officer (W), Hafizabad failed to produce the office copies of pay bills, arrear bills, cash books and acquittance rolls in support of expenditure to the above said extent inspite of repeated requests by audit.”

**17-06-2002:** 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.

**21. Para 6.2: Page 34 – Record Not Produced to Audit Rs.1,000,000 (Approx)**

Audit had observed: “Store of different kinds relating to Primary Education Project was purchased by Distt. Education Officers in Punjab and distributed among the Asstt. Education Officers for further distribution in the project schools but relevant stock registers of the Distt. Education Officers were not shown to audit for verification of accounts. Similarly payment vouchers for purchase of different items were not produced to audit. This tantamounts to impeding audit efforts and violates the codal provisions.”

**09-08-1995:** It was submitted by the Department that all the articles of store were taken on the stock register and were distributed to the Primary Schools concerned. The para was kept pending for detailed scrutiny of record by Audit. Report would be submitted to the Public Account Committee within one month.

**17-06-2002:** 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 30 November 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 6.3: Page 35 – Doubtful Appointments - Loss to Public Exchequer Recovery of Rs.689,633**

Audit had observed: “20 teachers were appointed vide fictitious appointment orders reasons for which were given against each case by the inquiry officer who conducted inquiry in this case.... It is feared that there might by other cases wherein fictitious appointment orders were issued and loss to

public exchequer caused.”

**17-06-2002:** 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.

**23. Para 6.4: Page 36 – Assessed Loss of Rs.612,200 Due to Lease of Agricultural Land at Low Rate**

Audit had observed: “One square of land donated by the founder of the school was leased out, before nationalization @ Rs.84/- per acre per annum. The rate of lease continued, as such, upto 1992 but the school authorities did not review or reconsider the rate inspite of increase of market value of the land from year to year resulting in loss assessed to the stated extent sustained by the Government.”

**09-08-1995:** One square of land donated by the founder of the school was leased out at much lesser rates than the prevailing market rates.

The Department explained that at the time of nationalization, the land was in the possession of tenants who were neither paying lease money nor they were vacating the land. Hectic efforts were made at all forums e.g. Martial Law, D.C. & Civil Court etc. As a result the tenants started paying rent. Anyhow, efforts are underway to get the possession. Until & unless the possession of tenants was vacated there was no chance of getting prevailing rates of lease money.

The Department was directed to take up the matter at personal level. He should collect all the documents relating to ownership of land and take up the matter at appropriate level. Recovered sum of Rs.75,100 might be got verified by Audit. The para was kept pending.

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**24. Para 6.5: Page 36 – Overpayment of Rs.321,014 Due to Wrong Fixation of Pay**

Audit had observed: “The stated amount was paid in excess to the staff due to wrong fixation of pay. Pay of the staff was wrongly fixed at higher stages in the time scales, which resulted in an overpayment to the above stated extent.”

**09-08-1995:** The Department explained that pay of the teachers was enhanced on passing the P.T. C examination and this effect was verified by the District Accounts Officer. **The para was settled subject to verification of record by Audit.**

**25. Para 6.6 (1): Page 37 – Irregular Appointments Involving Expenditure of Rs.150,719**

Audit had observed: “Fresh appointments (even on leave vacancies) were made during ban period in violation of instructions issued by the Government of Punjab vide No.SOR.II (S&GAD) 2-90, dated 12.12.90 by the drawing & disbursing officers concerned as per detail given below.”

**District Education Officer (Women) Pind Dadan Khan, District Jhelum**

**09-08-1995:** The Department explained that appointments were made after the approval of District Recruitment Committee and there was no ban at the time of recruitment.

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

**26. Para 6.6 (2): Page 37 – Irregular Appointments Involving Expenditure of Rs.106,895**

For Audit observation, *see* Sr.No.25 above.

**Deputy District Education Officer (Male) Pind Dadan Khan**

**09-08-1995:** The para was kept pending for clarifications from Department and audit.

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**27. Para 6.6 (3): Page 37 – Irregular Appointments Involving Expenditure of Rs.39,821**

For Audit observation, *see* Sr.No.25 above.

**Government College of Commerce Gujranwala**

**08-08-1995:** After accepting the contention of Department, the Committee settled the para to the

extent of Rs.39,821 and kept the remaining part of the para pending for recovery.

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**28. Para 6.7: Page 38 – Loss of Rs.267,300 Due to Inadequate Security Measures Making Possible the Dacoity**

Audit had observed: “Pay of staff for May 91 of Markaz Basan and Lar Gharbi was drawn on 4.6.1991. A gang of dacoits, looted money while the cashier was distributing the pay. The recovery of the looted money could not be effected, from the dacoits, due to poor performance of police.”

**09-08-1995:** It was stated by the Department that it is a fact that Rs.267,300 on account of pay of establishment were robbed. The robbers were arrested by the police and confessed the robbery. The challan of the case had been put up before the court for trial. Further progress of the case would be intimated as and when received.

The Public Accounts Committee directed the Department that the D.P.I personally should pursue the case in the court and the Director Education should brief the Public Accounts Committee about the facts of case. The para being sub judice was kept pending.

**17-06-2002:** 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 30 November 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 6.8: Page 38 – Non-Deposit of Tuition Fee Amounting to Rs.248,783**

Audit had observed: “Tuition fee to the stated extent received from the Headmasters of various Centres was not deposited into Government treasury during marginally noted period. The matter was reported to Government in July, 1991 but no reply was received.”

**09-08-1995:** The para was settled subject to verification of record by Audit.

**30. Para 6.9: Page 39 – Non-Accountal of Stores and Stocks Valuing Rs.243,030.**

Audit had observed: “Store and stocks purchased during 1989-91 for Rs.170,610 and Rs.72,420 by the Deputy District Education Officers (M), Hafizabad and Gujranwala respectively, were shown to have been issued directly to schools or to the Assistant Education Officers concerned, but the same were not found accounted for in the stock registers of the concerned Asstt. Education Officer, or the schools, as the case may be.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**31. Para 6.10: Page 39 – Non-Accountal of Store/Stocks – Rs.219,930**

Audit had observed: “The store and stock purchased during 1990-91 were distributed to Asstt. Education Officer for further distribution to Middle and Primary Schools and in many a case to Middle/Primary Schools directly. It was observed that the material had been either not accounted for or was short in the stock register of relevant schools. This is in violation of Rule 15.21 (b) of PFR Vol.I.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**32. Para 6.11: Page 40 – Non-Accountal of Store/Stock Worth Rs.214,994**

Audit had observed: “The store and stock purchased during 1990-91 was shown distribution direct to Middle/Primary Schools or handed over to Asstt. Education Officers for further distribution to schools. It was observed that the material had either not been accounted for in the stock registers of relevant schools or less entered therein resulting in non-accountal of articles worth the above mentioned amount.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **33. Para 6.12: Page 40 – Irregular Payments of Pay & Allowances – Rs.205,627**

Audit had observed: “The Government had imposed a complete ban on fresh appointments in all Government Departments with effect from 12.12.90 vide No.S.O.R.III (S&GAD) 2-90/90, dated 12.12.90 but in violation of Government orders irregular appointments were made and as such payments to the stated extent were made. To hoodwink the said Govt. orders backdated appointments were made. In a few instances the medical fitness certificates were dated much after the dates of appointment. The Department did not show appointment orders despite repeated requests. Detailed investigations, disciplinary action & recovery from the defaulting officers were integrated.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **34. Para 6.13: Page 41 – Non-Refund of Amount – Rs.188,369**

Audit had observed: “Rs.188,369 were lying unspent balance in the PLA of the different, Distt. Education Officers in the Punjab under 4<sup>th</sup> Primary Education Project. The said amount was required to be refunded to the Project Director, P.E.P, Lahore as the Project was going to be closed in June 1985 but needful was not done as required under Rule 2.10 (a) of PFR Vol.II.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **35. Para 6.14: Page 41 – Doubtful Drawal of Pay Amounting to Rs.160,618.**

Audit had observed: “The stated amount was paid to five teachers without having the prescribed qualification for the post. The teachers when asked to produce original qualification certificates, absconded with effect from 1.12.90. One of the teachers was not qualified (PTC) and was allowed annual increments.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**36. Para 6.15: Page 42 – Non/Less Deposit of Tuition Fee Amounting to Rs.153,056.**

Audit had observed: “The various schools under Asstt. Education Officer (Women), Yazman had either not deposited or less deposited the tuition fee realized from students.”

**17-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**37. Para 6.16: Page 42 – Non-Production of Record of Tuition Fee – Rs.137,475**

Audit had observed: “The following irregularities resulted in suspected embezzlement of the said amount.

- i) Demand register of fee and classified abstract register was not produced.
- ii) The record pertaining to receipts issued at the time of collection of fee/funds, was not produced.
- iii) No treasury challan in support of deposit into treasury was made available to audit.

The above collection of fee was calculated on the basis of admission and discharge register of the school. No reply to the preliminary observation was furnished.”

**09-08-1995: The explanation of the Department was accepted and the para was settled subject to the verification of record by Audit.****38. Para 6.17: Page 43 – Non-Accountal of Store/Stock – Rs.123,083**

Audit had observed: “The Scrutiny of record revealed that the store and stock purchased during 1990-

91 was distributed to Asstt. Education Officers for further distribution to middle and primary schools of Tehsil Gujranwala. It was, however, noticed that the material had either been not accounted for in the stock register of relevant schools or short entered therein, in violation of Rule 15.4 of PFR Vol.I.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**39. Para 6.18: Page 43 – Unauthorised Appointment – Recovery Thereof Amounting to Rs.117,356**

Audit had observed: “The staff was appointed unauthorisedly i.e. without post and beyond upper age limit fixed by Government and as such Government was subjected to loss to the above extent. Action of Department was in violation of Government rules contained in C.S.R Vol.I Part-I of the Government of Punjab.”

**09-08-1995:** Item (1) Mr. Mohammad Abbas was appointed as Laboratory Attendant while neither the Laboratory nor post of Laboratory Attendant was existing in the school.

The Department explained that appointment was made by the Head Master of the High School and when he came to know that there was no post of Laboratory Attendant in the school the said Laboratory Attendant was transferred to another school where the post was existing. According to the Department there was no irregularity.

The Committee was not convinced with the explanation of the Department and observed that appointment of Mr. Muhammad Abbas was quite irregular rather illegal. The Department was directed to hold inquiry and fix responsibility for the said illegal appointment of Laboratory Attendant. This part was kept pending.

So far as the explanation of the Department in respect of age relaxation of Inayat Bibi, Muhammad Siddiq and appointment of Kaniz Fatima was accepted and these parts were settled.

**17-06-2002:** 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 9 August 1995 by 30

November 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 6.19: Page 44 – Purchase of Stationery By Splitting Up of Expenditure Worth Rs.112,918**

Audit had observed: “Office stationery was purchased by splitting up the expenditure to avoid the sanction of higher authority. The expenditure was incurred out of detailed head 411-Admn. & 540-stationery. Neither tenders were invited as required under Rule 15.2(d) of P.F.R (Vol.I) nor N.O.C. obtained in compliance of provisions under serial No.3-b(II) of part-I of Delegation of Financial Powers Rules, 1990. Moreover consumption/issue account of the material received was also not shown to audit.”

**09-08-1995:** The Department explained that purchase of stationery was made throughout the year as the allocation of funds was received on different occasions. Purchases were made after obtaining N.O.C. from the Government Printing Press, Bahawalpur.

The Public Accounts Committee was not convinced and expressed that splitting had been made to avoid the codal requirements of calling quotations, approval of higher the Competent Authority and to keep the expenditure within competency. Had the open competition been observed there would had been a saving of 20% of the total expenditure. Matter might be inquired into to fix the responsibility and recovery at the rate of 20% of total expenditure should be recovered from the defaulter. The para was kept pending.

**17-06-2002:** 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 9 August 1995 by 30 November 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 6.20: Page 44 – Purchase at Higher Rates and Non-Accountal of Charcoal Worth Rs.27,013**

Audit had observed: “Charcoal weighing 15346 KG was purchased for Rs.77,180 at the rate of Rs.5 per KG instead of Rs.3.25 per KG (the rate fixed by the District Magistrate) resulting in an excess payment of Rs.27,013 which is required to be recovered from the defaulter(s). Neither the entries in token of receipt of coal purchased were made in the relevant register nor consumption i.e. the account of issue thereof was maintained. Moreover the purchase was not effected in light of procedure laid down in Rule 15.2 (d) of PFR Vol.I.”

**09-08-1995:** The actual amount of overpayment had been recovered and got verified. **The para was settled.**

**42. Para 6.21: Page 45 – Non-Production of Record of Library Security Funds – Rs.99,776**

Audit had observed: “The amount was drawn out of library security fund from the bank, through cheques issued during the period from 4.4.90 to 12.12.90. No disbursement account was available on record.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**43. Para 6.22: Page 45 – Irregular Payment of House Rent Allowance to the Tune of – Rs.96,862**

Audit had observed: “Five teachers were paid house rent allowance inspite of Government residence occupied by them, which resulted in irregular payment of Rs.96,862.”

**09-08-1995:** The Department explained that teachers were residing in one room which was much below their entitlement.

The Public Accounts Committee was not convinced and expressed that house Rent allowance allowed to the employee living in government accommodation might be recovered. Recovery of House Rent @ 5% of the basic pay should also be recovered. The para was kept pending for recovery.

**17-06-2002:** 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 9 August 1995 by 30 November 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 6.23: Page 46 – Record Relating to the Purchase of Store/Stock Worth Rs.78,485 Not Produced**

Audit had observed: “The above amount was drawn from Government Treasury on 10.2.91 for the purchase of library books, science articles & sports material and shown to have been disbursed the same day. No entry about receipt & issue of store was available in the stock registers which was in violation

of Rule 15.21 (3) of PFR Vol.I. Moreover the connected record i.e. bills, quotations, comparative statement, work order bill of the firms/suppliers and actual payee's receipts were also not shown to audit."

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**45. Para 6.24: Page 46 – Non-Deposit of Tuition Fee and Funds – Rs.56,337**

Audit had observed: "Tuition fee and boys funds to the tune of Rs.56,337 collected from students were not deposited into Govt. Treasury/fund accounts, The non-deposit was in contravention of rule 7(1) S.T.R, Punjab."

**09-08-1995:** The Department explained that Rs.23,004 had been recovered leaving a balance of Rs.33,333 which was due from Alhaj Muhammad Safdar Rana the then Principal.

The Public Accounts Committee expressed that embezzlement of Government money was committed by M. Safdar Baig, clerk. The total amount of Rs.56,337 was recoverable from the said clerk. If some amount was recovered the same might be got verified by Audit and remaining amount be recovered. The para was kept pending for recovery and its verification by Audit.

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**46. Para 6.25: Page 47 – Loss Due to Theft Undecided Balance of Rs.55,592**

Audit had observed: "An amount of Rs.130,592 drawn from National Bank of Pakistan, R.Y. Khan

on account of the pay of the staff, was stated to have been snatched away by the decoits from the cashier on 10.7.1988. The case was registered with the police vide FIR No.123, dated 10.7.1988. A sum of Rs.75,000 out of Rs.130,592 was recovered and deposited into Govt. Treasury. The remaining amount of 55,592 was not recovered as the accused were acquitted by the court giving them the benefit of doubt. The court remarked that the Department had failed to prove the case. In the light of the court decision, the Departmental inquiry was quite necessary for recovery of the remaining amount as well as disciplinary action against defaulters. The matter was reported to Govt. in October 1991 but no reply was received.”

**09-08-1995:** The Department explained that remaining amount of Rs.55,592 could not be recovered and a write off case had been moved to Government. The decision was awaited.

The Public Accounts Committee directed that the Department should pursue the write off case vigorously and get the same decided early. The para was kept pending.

**17-06-2002:** 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 9 August 1995 by 30 November 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.

**47. Para 6.26: Page 47 – Shortage of Books and Equipment’s Valuing Rs.48,114**

Audit had observed: “Books and equipment’s valuing Rs.48,114 were found short in stock register of Lady Supervisors of various Distt. Education Officers under 4<sup>th</sup> Primary Education Project. The said store/stock of books and equipment’s was either received short from the Project Director (PEP) or was delivered less to the schools under Projects area.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**48. Para 6.27: Page 48 – Non-Accountal of Store Stock of Rs.46,507**

Audit had observed: “The store/stocks were purchased but had not been found accounted for in the relevant stock register which was in violation of Rule 15.16 & 2.15-17 of PFR Vol.I. No reply to preliminary audit observation was furnished.”

**09-08-1995:** The explanation of the Department was accepted and **the para was settled subject to verification of record by Audit.**

**49. Para 6.28: Page 49 – Irregular Expenditure of Rs.47,123 by Appointment of Staff During Ban Imposed by Government**

Audit had observed: “In spite of ban on fresh appointments imposed by Government on 18.9.89 vide letter No.U.S(L) (1)-1-177/89, the following appointments were made resulting in irregular expenditure of Rs.47,123.

S/No	Name	Orders/Date	Joining	Amount (Rs)
1.	Mr Ghulam Sarwar DEO G/wala	2.10.89		25874.00
		No.9717/E.I, 17.9.89		
2.	Muhammad Zaman	“No.3985/ 11.2.90		21248.92
	<b>Total</b>			<b><u>Rs. 47123.00</u></b>

The expenditure was illegal & required to be recovered from persons at fault.

**09-08-1995:** The explanation of the Department was accepted and **the para was settled.**

**50. Para 6.29: Page 49 – Payment of Rs.46,030 on Account of TA & DA for Training Not Substantiated**

Audit had observed: “Rs. 46,030 were drawn out of P.L.A and paid to the Principal Govt. College for Elementary Teachers, Ghakhar for disbursement to the trainees of the 4<sup>th</sup> Primary Education Project. On demand of disbursement record of the said amount as required under Rule 8.5 of P.F.R

Vol.II, the same was not produced to Audit.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**51. Para 6.30: Page 50 – Recovery of Overpayment – Rs.40,866**

Audit had observed: “Some officials were overpaid to the extent indicated in their service books in violation of Rule 4.4 of C.S.R Punjab Vol.I Part.I.”

**17-06-2002:** 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.

**52. Para 6.31: Page 50 – Non-Production of Record – Rs.40,600**

Audit had observed: “An amount of Rs.40,600 was drawn for repairs of school building on 3 dates. No estimate, technical sanction or other documents i.e. supplier’s bills for material received and other record relating thereto were produced.”

**09-08-1995:** The para was settled subject to verification of record by Audit.

**53. Para 6.32: Page 51 – Unauthorised Payment of House Rent Allowance Amounting to Rs.40,037**

Audit had observed: “House rent allowance to the stated extent was paid to the officials who were residing in accommodation provided by the Government.”

**09-08-1995:** The explanation of the Department was accepted and **the para was settled.**

**54. Para 6.33: Page 51 – Non-Deposit of Tuition Fee/Boys Funds – Rs.39,328**

Audit had observed: “According to directive issued by the Director of Education (schools) vide No.18378/G.II dated 20.12.89 and further circulated by the District Education Officer, Gujranwals vide endorsement No.11060/G-I, dated 20.12.89, the previous practice of charging the tuition fee and funds for the financial year 1989-90 was required to be confirmed. Accordingly the tuition fee and funds in respect of the old classes were to be realized upto 31.3.90 and deposited into Government Treasury/boys funds accounts, as the case may be. An amount of Rs.39,328 was less realized. In reply it was stated that the letter under reference was not received in the school. This contention is not convincing as the letter was duly endorsed to the Headmasters of the district.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**55. Para 6.34: Page 52 – Overpayment of Rs.37,227 on Account of Appointments Against Higher Posts.**

Audit had observed: “The learning coordinator’s having Matric P.T.C qualification were appointed in Grade-8 against Project Director’s letter No.PEP/8-16/79(LC)308-317, dated 11-2-1981, wherein the minimum qualification prescribed for the same posts was FA/FSc/CT/SV. Besides, it was also pointed out that the qualification prescribed by the Education Department for similar posts was required to be adhered to. The Matric P.T.C. were only entitled to Grade-6.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**56. Para 6.35: Page 52 – Less/Non Deposit of Amount and Non Production of Record – Rs.35,216**

Audit had observed: “Embezzlement to the above tune was suspected as under:

- i) The salary amounting to Rs.9,498 drawn in excess was not refunded to Govt. Treasury.
- ii) Tuition fee amounting to Rs.7,191/- realized from students was not deposited to Govt.

Account.

iii) In support of expenditure of Rs.18,526.55 out of boys funds no vouchers were shown to audit. Thus the amount of Rs.35,216 is apprehended to have been misappropriated. The matter was brought to the notice of the Department in 1/92 but no action was taken. Amount is required to be deposited into respective accounts besides disciplinary action against defaulters.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**57. Para 6.36: Page 53 – Record Relating to the Payment of Salaries Not Produced – Rs.34,787**

Audit had observed: “Pay of the teachers, drawn during the period from 1.5.1985 to 31.5.90 was neither disbursed to them nor refunded into Government treasury.”

**09-08-1995:** The explanation of the Department was accepted and **the para was settled subject to verification of record by Audit.**

**58. Para 6.37: Page 53 – Doubtful Expenditure on the Purchase of Material Worth Rs.33,675**

Audit had observed: “Material costing Rs.33,675 was purchased during 1980-81 by District Education Officer, (M), R.Y. Khan but the relevant cash book and vouchers for the said amount were not produced to audit. However, stock entries of the material in stock register made vide Rule 15.4(a) of P.F.R. Vol.II duly verified by the Distt. Audit Officer, R.Y. Khan, were found to have been struck off indicating that these were wrong entries. It appeared that budget was utilized without receipt of material due to which the record was not produced to audit and stock entries struck off from the stock register.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**59. Para 6.38: Page 54 – Less Realization/Non-Deposit of Contract Money – Rs.27,115**

Audit had observed: “The auction record of canteen (tuck shop) agriculture land and cycle stand revealed that the amount was either short collected or if collected in full not deposited into Government treasury.”

**09-08-1995:** The Department explained that Rs.10,000 had been recovered and deposited with the Government. Further an amount of Rs.7,115 was incurred on the repair of tubewell.

The Public Accounts Committee reduced the para to the extent of Rs.10,000 and kept pending for recovery.

**17-06-2002:** 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 9 August 1995 by 30 November 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.

**60. Para 6.39: Page 54 – Unauthorised Drawal of Pay & Allowances Amounting to Rs.25,000**

Audit had observed: “The services of a sweeperess were terminated with effect from 14.7.1990 under orders of the Headmistress and she was relieved accordingly as per entries in her service book but she was paid pay and allowances from 15.7.90 to date which worked out to Rs.25,000. The case was not reported to higher authority in violation of Rule 2.35(2) of PFR Vol.I.”

**09-08-1995:** The Department explained that case was with the Anti-Corruption and decision was awaited.

The Department was directed to pursue the case vigorously. The para was kept pending.

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**61. Para 6.40: Page 55 – Less Accountal of Cash Balance Amounting to Rs.21,575**

Audit had observed: “The cash book was closed on 30.6.90 with a balance in hand amounting to Rs.50075 but while carrying over as opening balance on 2.7.90, only a sum of Rs.28,500 was shown resulting in less accountal of Rs.21,575.”

**09-08-1995:** The para was kept pending for thorough probe. The Department should submit report within two months.

**17-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**62. Para 6.41: Page 55 – Non-Production of Record of Deposits – Rs.18,266**

Audit had observed: “The amount was collected from the students but treasury challans in support of credit of the amount to Government account were not produced to audit for scrutiny & verification of deposit.”

**09-08-1995:** The Department explained that an amount of Rs.15,465 had already been deposited with the Government. A further amount of Rs.2,800 was also deposited. **The para was settled subject to verification by Audit.**

**63. Para 6.42: Page 56 – Non-Accountal of Stock – Rs.14,496**

Audit had observed: “Stocks to the tune of Rs.14,496 purchased through A.D.P. 1987-88 had not been accounted for in the relevant stock register of school in contravention of Rule 15.7 of P.F.R Vol.I. Matter was brought to the notice of Administrative Deptt. but not action was taken Recovery of the said amount is stressed.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**64. Para 6.43: Page 56 – Overpayment of Rs.13,499 on Account of Pay & Allowances not Recovered**

Audit had observed: “A lady teacher was appointed SST on 17.3.86. Her pay was to be fixed at next stage in the relevant pay scale, but she was allowed on premature increment in contravention of the orders contained in Government of Punjab Finance Department letter No.FD/SR-II-8(5)/8, dated 22.3.81, resulting in the overpayment.”

**09-08-1995:** The recovery was effected and verified by Audit. **The para was settled.**

**65. Para 6.44: Page 57 – Recovery of Rs.11,506 on Account of Fraudulent Appointment**

Audit had observed: “A lady teacher was appointed as P.T.C teacher by Deputy Distt. Education Officer (W) with effect from 20.9.88. In 8/89 it came to the notice that she possessed a forged matriculation certificate. Her services were terminated. Neither any disciplinary action was taken against the appointing authority nor the case was registered with the police against the teacher. The recovery of Rs.11,506 for the period from October 1988 to August 1989 had also not been effected.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**66. Para 6.45: Page 57 – Doubtful Drawal of Salary – Rs.9,966**

Audit had observed: “Chowkidar of Government High School, Ghazi Minara District Sheikhpura was transferred to Government Guru Nanak High School, Nankana Sahib vide District Education Officer (M) endorst. No.13223/E-II, dated 11.12.1988 with other documents i.e. service book and LPC for adjustment against the post of Kitchen man and drew 11 months pay @ Rs.906 PM. When the said documents were checked from the record of Government High School Ghazi Minara the same were found fake. No enquiry whatsoever was initiated nor the matter was reported to higher authority.”

**09-08-1995:** The recovery was effected and verified by Audit. **The para was settled.**

### **67. Para 6.46: Page 58 – Non-Recovery of Income Tax For Rs. 40,908**

Audit had observed: “Distt. Education Officers in the Punjab under Primary Education Project purchased furniture and other school material from different firms but while arranging payment to the suppliers/firms, income tax amounting to Rs.40,908 was not deducted from their claims as required under Section 50 Sub Section 4 of Chapter VI of Income Tax Ordinance, 1979.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **Education Engineering Cell Works Audit**

### **1. Para I-A-1: Page 6 – Fictitious Measurements – Rs.70,103**

Audit had observed: “Payment for excavation of foundation, brick ballast and brick work upto plinth level for construction of boundary wall was made against a work in June 1991 while the boundary wall was erected on the existing plinth. Hence, the department made payment for the work which had not been executed at site. This resulted in an excess payment of Rs.70,103 to the contractor.”

**12-07-1999:** The Department explained that the relevant record was not traceable and efforts were being made to search out the record.

The PAC directed that responsibility may be fixed for excess payment and for not taking timely action for the recovery of excess paid amount. The defaulter may be proceeded against for disciplinary action and excess paid amount may also be recovered from him. The para was kept pending.

**18-06-2002:** 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 12 July 1999 by 30 November 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**2. Para I-B-1: Page 6-7 – Incorrect Application of Rates – Rs.30,216**

Audit had observed: “While executing an item of mild steel grill without separate frame and hold fast, a deduction of rate of Rs.3/15 per sft was not made, as prescribed in the Composite Schedule of Rates 1979 and Finance Department’s letter of 6th October 1988. This resulted in an excess payment of Rs.30,216 in June 1991.”

**12-07-1999:** The Department explained that a sum of Rs.1,393 had been recovered and balance recovery was in process.

The PAC directed the Department to make good the balance amount from the officer who made the overpayment after due process and the para was kept pending.

**18-06-2002:** 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 12 July 1999 by 30 November 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**3. Para I-B-2: Page 7 – Incorrect Application of Rates - Education Buildings Division Multan – Rs.50,236**

Audit had observed: “An overpayment of Rs.50,236 was made for floating coat on the surface prior to cement plaster in violation of specification No.25.4 for execution of works. This resulted in an overpayment of Rs.50,236 in November 1989.”

**18-06-2002:** 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 30 November 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 II-A-1: Page 8 – Non-Deduction of Income Tax at Source for Rs.21,018**

Audit had observed: “The division did not made deduction of income tax @ 3 percent while making payments to contractors as required by Section 50 of the Income Tax Ordinance 1979. Thus Government was deprived of its revenue of Rs.21,018 between April 1990 and May 1991.”

**12-07-1999:**The Department explained that recovery of Rs.10,190 had been effected leaving a balance recovery of Rs.10,828.

The PAC directed that recovery so far made may be got verified by Audit and balance amount may be recovered under verification by Audit. The para was kept pending.

**18-06-2002:** 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 12 July 1999 by 30 November 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 II-B-1: Page 8 – Non-Recovery of Dismantled Material – Rs.43,480**

Audit had observed: “The division dismantled an old tubewell. The department neither took the material worth Rs.43,480 on stock nor effected its recovery from contractor. This resulted in non recovery of Rs.43,480 in June 1991.”

**12-07-1999:** The Department explained that relevant record was not traceable and efforts were being made to search out the record.

The PAC directed that responsibility may be fixed for excess payment and for not taking timely action for the recovery of excess paid amount. The defaulter may be proceeded against for disciplinary action and excess paid amount may also be recovered from him. The para was kept pending.

**18-06-2002:** 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 12 July 1999 by 30 November 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **6. Para II-B-2: Page 8 – Non-Recovery of Dismantled Material – Rs.71,619**

Audit had observed: “The division did not make recovery of the cost of dismantled material which resulted in non-recovery of Rs.71,619 in June, 1989.”

**12-07-1999:** The Department explained that relevant requisite record had been produced to Audit for verification. The result of verification was awaited. **The PAC settled the para subject to verification of record** regarding exchange of rate by Audit.

**7. Para III-1: Page 9 – Unvouched Advance Payments – Education Buildings Division Multan – Rs.5,870,900**

Audit had observed: “The division made payments of Rs.5,870,900 but no vouched accounts of work done was available. The engineering staff was required to follow the public works procedure, record and measure the work done at site before making any payment to the contractor, but this was not done. Flagrant violation of the prescribed procedure is likely to lead to misappropriation of public funds.”

**18-06-2002:** 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 III-2: Page 9-10 – Unvouched Advance Payments – Education Buildings Division Multan – Rs.6,600,233**

Audit had observed: “The division made payments of Rs.6,600,233 but no vouched accounts of work done was available. The engineering staff was required to follow the public works procedure, record and measure the work done at site before making any payment to the contractor, but this was not done. Flagrant violation of the prescribed procedure is likely to lead to misappropriation of public funds.”

**18-06-2002:** 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.

**9. Para III-3: Page 10 – Unvouched Advance Payments – Education Buildings Division D.G. Khan – Rs.3,797,600**

Audit had observed: “The division made payments of Rs.3,797,600 but no vouched accounts of work done was available. The engineering staff was required to follow the public works procedure, record and measure the work done at site before making any payment to the contractor, but this was not done. Flagrant violation of the prescribed procedure is likely to lead to misappropriation of public funds.”

**18-06-2002:** 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.

**10. Para III-4: Page 11 – Unvouched Advance Payments – Education Buildings Division Bahawalpur – Rs.1,364,230**

Audit had observed: “The division made payments of Rs.1,364,230 but no vouched accounts of work done was available. The engineering staff was required to follow the public works procedure, record and measure the work done at site before making any payment to the contractor, but this was not done. Flagrant violation of the prescribed procedure is likely to lead to misappropriation of public funds.”

**18-06-2002:** 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.

# Excise and Taxation Department

## Overview

Total Paras	Civil	Commercial	Revenue Receipts
<b>6</b>	<b>1</b>	<b>1</b>	<b>4</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b> <b>1</b>	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	<b>Commercial: 3(viii)</b>	<b>1</b>
<b>Paras Conditionally Settled</b> <b>5</b>	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.	<b>Civil: 7.1</b>	<b>1</b>
		<b>Revenue Receipts: 3.3, 3.4, 3.5, 3.6</b>	<b>4</b>

**Discussed on 17 and 26 June 2002**

## Civil Audit

### **1. Para 7.1: Page 59 – Non-Accountal of POL and Lubricants etc. Amounting to Rs.12,452**

Audit had observed: “A sum of Rs.12,452 was expended on purchase of POL & Lubricants etc. but neither the stock entry of the same was available in the record of the office as well as in the log books nor the consumption account was shown to audit in violation of Govt. staff vehicles (use & maintenance) Rules, 1969.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **Commercial Audit**

### **1. Para 3(viii): Page 5 – Non-Compilation of Accounts**

(viii) Government Opium and Alkaloid Factory, Lahore 1990-91 to 1991-92

**26-06-2002:** The PAC noted the contents of the Audit para and directed that the Department shall 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.

## **Revenue Receipts Audit**

### **1. Para 3.3: Page 17 – Property Tax**

#### **A. Non-Realization of Property Tax - Rs.21,596,289,759**

##### **(a) Due to Non-recovery of 15% Share of Provincial Government on Account of Property Tax from Cantonment Boards – Rs.17,350,724**

**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.

##### **(b) Due to Non-Recovery of Arrears of Property Tax – Rs.2,426,708**

**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.

**(c) Due to Omission in Carrying Forward of Arrears of Property Tax – Rs.1,158,864**

**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. 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.

**(d) Due to Non-Issuance of Demand Notices – Rs.254,097**

**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. 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.

**(e) Due to Unlawful Exemptions – Rs.232,956**

**26-06-2002:** 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 30 November 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.

**(f) Due to Omission in Transferring Particulars of Taxable Property Units from PT-1 to PT-8 – Rs.172,940**

**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. 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. Short-realisation of Property Tax – Rs.838,879.

**B. Short Realization of Property Tax – Rs.838,879**

**(a) Due to Non-Aggregation of Properties Owned By the Same Persons – Rs.512,208**

**26-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(b) Due to Short-Carrying Forward of Annual Values – Rs.211,142**

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**(c) Due to Computational Errors – Rs.115,529**

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**2. Para 3.4: Page 31 – Motor Vehicles Tax – Non-Recovery of Token Tax – Rs.8,339,074**

**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.

**3. Para 3.5: Page 35 – Entertainment Tax – Non-Recovery of Arrears of Entertainment Duty – Rs.82,649**

**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.

**4. Para 3.6: Page 36 – Cotton Fee – Non-Recovery of Arrears of Cotton Fee – Rs.868,425**

**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.

# Finance Department

## Overview

Total Paras	Civil
<b>2</b>	<b>2</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Pended</b>  <b>2</b>	Paras pended as the Department had not taken satisfactory action.	<b>Civil:</b> 8.1, 8.2	<b>2</b>

**Discussed on 17 June 2002**

## Civil Audit

### 1. Para 8.1: Page 60 – Drawal of 180,000,000 (Eighteen Corers Approximately) From the Head Revenue Deposit.

Audit had observed: “The stated amount was drawn from revenue deposits by sub-Accountant and the case for the embezzled amount registered with police and is under inquiry.”

**17-06-2002:** 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 8.2.: Page 60 – Overpayment and Recovery of Rs.469,224 on Account of Pension Payments By Various Branches of National Bank of Pakistan

Audit had observed: “During the course of internal audit of the pension payments made by various branches of National Bank of Pakistan, the overpayments amounting to Rs.1,549,394 were detected by the treasury staff upto 28.2.91. Out of this amount a sum of Rs.1,080,170 was recovered

and the balance of Rs.469,224 was still recoverable.”

**17-06-2002:** 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.

# Food Department

## Overview

Total Paras	Civil	Revenue Receipts
60	56	4

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  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.	<b>Revenue Receipts: 6.1</b>	<b>1</b>
<b>Paras Finally Settled</b>  6	Paras finally settled as the requisite action had been taken.	<b>Civil: 9.2, 9.4, 9.8, 9.14, 9.16, 9.22</b>	<b>6</b>
<b>Paras Conditionally Settled</b>  53	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.	<b>Civil: 9.1, 9.3, 9.5, 9.6, 9.7, 9.9, 9.10, 9.11, 9.12, 9.13, 9.15, 9.17, 9.18, 9.19, 9.20, 9.21, 9.23, 9.24, 9.25, 9.26, 9.27, 9.28, 9.29, 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, 9.45, 9.46, 9.47, 9.48, 9.49, 9.50, 9.51, 9.52, 9.53, 9.54, 9.55, 9.56</b>	<b>50</b>
		<b>Revenue Receipts: 5.1, 5.2, 5.3</b>	<b>3</b>

**Discussed on 11 October 1999, 17 and 26 June 2002**

## Civil Audit

## **1. Para 9.1: Page 61 – Godown Shortage of 6131.313 M.Tons of Wheat Amounting to Rs.16,555,000**

Audit had observed: “Wheat weighing 6131.313 tons valuing Rs.16,555,000 was declared as godown shortage in wheat scheme, 1988-89 in the PR centre, Steel Silos.”

**11-10-1999:** The Department explained that M/s Malik Mohib Hussain, A.F.C., Ch Ijaz Ahmed F. G.I. Javaid Iqbal, Sr. Clerk, Tauseef Ahmed and Fida Hussain, Senior Clerk had compulsorily been retired from service as they were held responsible for embezzlement of 6131.313 M. Tons of wheat. The authority lodged a criminal case with the Anti Corruption, Multan which was under trial in the Court of Special Judge, ACE Multan. The authority had imposed recovery of Rs.3,311,000 on each of the above mentioned defaulters against the order of compulsory retirement and recovery. The accused officials filed an appeal in the Punjab Service Tribunal from where Ch. Ijaz Ahmed. F.G.I. and Malik Mohib Hussain, A.F.C. were acquitted. In the light of the decision of the Court both the officials had been reinstated in service. Recovery from Mr. Ejaz Ahmed, F.G.I. and Mr. Mohib Hussain was being effected @ 1/3<sup>rd</sup> from their monthly pay. The cases of reinstatement of M/s Tauseef Ahmed, Iqbal Javaid and Fida Hussain, Junior Clerk, were still under adjudication in the Punjab Services Tribunal.

The PAC directed the Department to:-

- (1) recover the amount of loss from the defaulting officials, as arrears of land revenue instead of making recovery of the amount @ 1/3<sup>rd</sup> of their pay which would require 276 years for making complete recovery.
- (2) pursue the case in Punjab Services Tribunal and with the Anti Corruption Court vigorously.
- (3) take disciplinary action against the supervisory officers
- (4) request the concerned District Collector to attend the next meeting of the PAC for showing progress of the recovery.

The para was kept pending.

## **17-06-2002:** 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 11 October 1999 (except Item No.4) by 30 November 2002 and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para 9.2: Page 61 – Loss Due to Non-Sale of Sugar at Depots Amounting to Rs.11,154,800**

Audit had observed: “7060 tons sugar was sold through open sale @ Rs.05/92 per KG as against the depot rate @ Rs.07/50 per KG when the market rate was even higher than depots control rate. Had the sugar been sold through depot holders, the Government would have gained additional

income to the stated extent.”

**11-10-1999:** The Department explained that the sugar was sold under Government policy of derationing. After abolishing Ration Depots sugar stocks were disposed off at Government level after due advertisement in the leading News Papers. Sugar was handed over to the buyers and the sale proceeds were deposited in the Government Treasury. Therefore, no irregularity had been committed in the procedure adopted for sale of surplus stocks.

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

### **3. Para 9.3: Page 62 – Enroute Shortage of Imported Wheat – Rs.8,980,337**

Audit had observed: “During audit for the year 1984-85 & 1986-87, imported wheat 20,093,621 MT was despatched to various centres, but 19,486,027-600 MT wheat was received short resulting in an enroute shortage of 625,594 MT, plus 21 bags, the cost of which worked out to Rs.8,980,337 which may be recovered from the concerned officials and refunded to Government.”

**11-10-1999:** The Department explained that out of total enroute shortage of 314,795 M. Tons Wheat recovery of 2,112 M. Tons wheat had been made and got verified by Audit. The remaining shortage of 312,654 M. Tons wheat was deducted from the consignment received through Rail from Karachi. The actual enroute shortage of 120,809 M. Tons instead of 310,798 M. Tons at PR-II Center Islamabad had been confirmed. Out of 120,809 M. Tons 21,344 M. tons had been recovered and verified by audit. The case for the remaining enroute shortage of 99,465 M. Tons wheat was under process for write off sanction.

The PAC directed the Department to:-

- (1) produce the record pertaining to enroute shortage of 312,654 M. tons Wheat which was deducted from the consignment received through Rail from Karachi.
- (2) Get written off the enroute shortage of 99,465 M. Tons wheat by the Competent Authority.

The para was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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 9.4: Page 62 – Non-Receipt of 2608.300 Tons of Wheat Amounting to Rs.6,781,580 By Consignees**

Audit had observed: “Receipt of 2608,300 tons of wheat despatched from PR Centre Jalalpur Pirwala to PR Centre Mardan, was not acknowledged by the recipient which needs investigation and recovery from the person at fault.”

**11-10-1999:** The Department explained that 2608,300 M. tons wheat was dispatched from P.R.

Center, Jalalpur Pirwala and the same quantity had been received at P.R. Center Mardan. The position had been got verified by Audit.

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

**5. Para 9.5: Page 63 – Declaration of Godown Shortage of 2051.804 M.T. (1059.400 + 992.404 Tons) of Wheat and Damaged Wheat 84.495/M.T. (63.500 + 20.995) Tons Valuing Rs.5,725,965 (Rs.3,009,731 + 2,716,234)**

Audit had observed: “Godown shortage and loss on account of wheat damaged of the stated value was declared in the wheat procurement schemes 1986-87 & 87-88 at P.R. centre, Dunyapur. The case was also registered with Anticorruption Department, Multan vide F.I.R. No.19 & 20, dated 19.4.89 against the defaulters.”

**11-10-1999:** The Department explained that recovery of Rs.2,716,234 and Rs.3,009,731 had been imposed on Mr. Muzamal Hussain, F.G.I. and Rana Muhammad Hanif, F.G.I. respectively on account of Godown shortage and damage of wheat. Both the officials had been dismissed from service. Criminal cases against the accused were under trial in the Court of Special Judge, A.C.E. Multan. The District Collector, Multan had been requested to effect the recovery from both the defaulters as arrears of land revenue.

The PAC directed that recovery as arrears of land revenue may be effected within the shortest possible time. The para was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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 9.6: Page 63 – Godown Shortage of 1535.479 Tons of Wheat Amounting to Rs.4,589,088**

Audit had observed: “In the wheat scheme 1986-87, godown shortage of 1535.479 tons of wheat was declared in P.R. centre, Dunyapur on 18.3.1989. In this connection F.I.R. No.29, dated 21.6.1989 was filed in the court of Deputy Director, Anticorruption, Multan.”

**11-10-1999:** The Department explained that M/s Saeed Ahmed, A.F.C., Raja Khizar Ali, F.G.I. and Muhammad Ashraf Khan were proceeded against under E&D Rules and recovery of Rs.4,038,709 had been imposed on the said three officials. In order to effect recovery as arrears of land revenue, the case had been referred to the District Collector Multan. All the above mentioned three officials had been compulsorily retired from service w.e.f 19.7.1990. The criminal case had also been registered against the defaulters.

The PAC directed the Department to:-

- (1) pursue the case of recovery as arrears of land revenue.
- (2) pursue the criminal case with the Anti-corruption Court.

The para was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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 9.7: Page 64 – Enroute Shortage of Indigenous Wheat – Rs.334,423**

Audit had observed: “54834.840 M.T. wheat with 577188 bags was despatched from various centres to P.R-I Islamabad. The P.R-I Centre Islamabad acknowledged 54706.262 M.T wheat plus 577180 bags, resulting into enroute shortage of 128.578 M.T. wheat plus 8 bags. The cost of shortage works out to Rs.334,303 @ Rs.2.60 per K.G. wheat & Rs.120/- @ Rs.15/- per empty bag. The matter requires investigation & recovery of the stated amount from the official/officer concerned.”

**11-10-1999:** The Department explained that actual recoverable amount was Rs.303,135 and not Rs.334,423 as calculated by Audit. Out of total recoverable amount, an amount of Rs.17,438 had been recovered and verified by Audit. Efforts were being made to recover the balance amount.

The PAC directed to:-

- (1) recover the balance amount within the shortest possible time.
- (2) produce the record to remove the discrepancy in the recoverable amount.
- (3) take disciplinary action against the officers/officials responsible for delay.

The para was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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 9.8: Page 64 – Treasury Challans Showing Deposit of Rs.2,710,155 Not Produced to Audit**

Audit had observed: “During 1984-85 & 1985-86 imported wheat was sold to different flour mills but treasury challans duly verified by the District Accounts Officers concerned were not produced to audit which has created suspicion that the bags/MT wheat were issued to the mills without getting their cost deposited into government account.”

**11-10-1999:** The Department explained that treasury challans and Bank receipts showing the deposit of Rs.2,710,155 had been got verified by Audit.

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

### **9. Para 9.9: Page 65 – Non-Accountal of 490 Gunny Bales Valuing Rs.2,646,000 at P.R. Center Lodhran**

Audit had observed: “The gunny bales of the stated value were sent by District Food Controller, Multan to PR Centre Lodhran during the wheat scheme, 1988-89 but the acknowledgement thereof was not available on record (Inventory Register) of the PR Centre, Lodhran.”

**11-10-1999:** The Department explained that 500 Gunny bales were received in 6/88 and 7/88 at P. R. Center Lodhran and the same were dispatched to different centers.

**The PAC settled the para subject to verification** of accountal of 500 Gunny bags alongwith inventory register by Audit.

### **10. Para 9.10: Page 65 – Declaration of Godown Shortage of 733.483 Tons of Wheat in P.R. Center Dhanot Valuing Rs.1,961,272**

Audit had observed: “Godown shortage of the stated value was declared vide GP-5 No.12/958, dated 28.03.1989 in scheme 1986-87 at PR centre Dhanot. F.I.R. No.10/89 dated 18.04.89 was registered against the defaulter with Anticorruption Department, Multan.”

**11-10-1999:** The Department explained that Dy. Director, Food, Multan had imposed a recovery of Rs.1,961,272 on the accused Mr. Fazal Hussain, F.G.I. A criminal case had also been registered against him and was still under trial in the court of Special Judge Anti Corruption, Multan. However, the official had been dismissed from service. The District Collector, Multan had been requested to effect the recovery from the defaulter as arrears of land revenue. The Department further explained that recovery would be made from the pension dues of the defaulter.

The PAC directed the Department that recovery may be effected from the pension dues of the defaulter and to pursue the case in the Court and District Collector vigorously. The para was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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 9.11: Page 66 – Godown Shortage of 636.661 Tons of Wheat Amounting to Rs.1,584,444**

Audit had observed: “Godown shortage of 636-661 tons of wheat of the stated value was declared in P.R. Centre II, Multan, but cost of shortage was not recovered from the person at fault.”

**11-10-1999:** The Department explained that the responsibility for the shortage of 636.661 M. Tons. Wheat amounting to Rs.1,760,696 had been fixed on the following three officials:-

- (1) Mr. Fiaz Ahmed Bokhari, F.G.I.
- (2) Mr. Jamil Ahmed Shah, F.G.I.
- (3) Mr. Azhar Ali Shah, F.G.S.

Whereabouts of Mr Jamil Ahmed, F.G.I. were not known and Mr. Azhar Ali Shah, Ex-F.G.S. had been expired. Mr. Fiaz Ahmed Bokhari, F.G.I. had promised that he would deposit the recovery of Rs.586,898 within two months as he had been reinstated in service by the Punjab Services Tribunal. However, recovery was being effected @ Rs.1,000 per month from his salary. A criminal case had also been registered against Mr. Jamil Ahmed Shah, F.G.I. and Mr Azhar Ali Shah, F.G.S.

The PAC directed the Department to:-

- (1) pursue the criminal case with the Anti Corruption and intimate the latest position to the PAC.
- (2) pursue the case with Board of Revenue to effect recovery as arrears of land revenue.
- (3) to recover the full amount from Mr. Fiaz Ahmed Bokhari, F.G.I. within two months positively according to his own promise.

The para was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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 9.12: Page 66 – Loss Due to Godown Shortage 289.002 Tons of Wheat & Damaged Wheat 175.350 Tons in P.R. Center LAR Amounting to Rs.1,244,612**

Audit had observed: “Godown shortage of 289.002 tons and damaged wheat 175.350 tons of stated value was declared in the P.R. Centre Lar vide G.P\_5 No.10/220, dated 19.2.1989. F.I.R. No.22 dated 22.10.89 was also registered against the accused with Anticorruption Department, Multan.”

**11-10-1999:** The Department explained that responsibility for loss due to Godown shortage of wheat and damaged wheat was fixed on Syed Hiayat Ali Shah, FGS and recovery of Rs.1,221,366 was imposed upon him instead of Rs.1,244,611 as calculated by the Audit. A criminal case was registered against the accused but the Special Judge Anti Corruption acquitted the official. An appeal against the order of Special Judge Anti Corruption had been filed in the Lahore High Court Multan Bench, and its decision was awaited. The District Collector, Multan had also been requested to effect recovery as arrears of land revenue.

The PAC directed the Department to pursue the court case in the High Court Multan Bench, and with the District Collector Multan vigorously. The para was kept pending.

**17-06-2002: 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 30 November 2002.

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

### **13. Para 9.13: Page 67 – Loss Through Declassification of Tarpaulines – Rs.1.65 Million**

Audit had observed: “73-A class tarpaulins received at Jatoi centre during scheme 1989-90 were shown returned to different centres but their acknowledgement at the destination could not be proved. Moreover 301 tarpaulin were declared as D-Class at different centres without any sanction. 40-A class tarpaulins received at purchase centre Gelaywala during scheme 1989-90 were not returned anywhere even after close of scheme.”

**11-10-1999:** This para was a composite para and the Department explained the item-wise position as under:-

#### **(A) Misappropriation of 113 Tarpaulines-Loss of Rs.452,000**

The Department explained that out of 113 Tarpaulines, 20 Tarpaulines had been accounted for in the stock register at P.R. Center Muzaffargarh and the Audit Department had verified the position. Mr. Muhammad Asghar Leghari F.G.I. was held responsible for the loss of 50 Tarpaulines and recovery of Rs.200,000 being the cost of 50 Tarpaulines had been imposed upon him which would be recovered as arrears of land revenue. The remaining loss of 43 Tarpaulines of Rs.172,000 and cost of 2917 A Class bags Rs.58,340 (Total Rs.230,240) had been imposed upon Mr. Lal Hussain Khan, FGS and recovery would be effected as arrears of land revenue.

The PAC directed the Department to pursue the case of recovery with the District Collector and strenuous efforts be made to effect the recovery within the shortest possible time. The item was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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.

#### **(1) Rangpur-63 Tarpaulines**

The Department explained that 63 Tarpaulines were declared surplus by the Deputy Director Food D.G. Khan and were put to auction and auction money i.e. Rs.6,048 had been deposited into Government Treasury.

The PAC directed that recovery may be got verified by Audit alongwith relevant record. The item was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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) R.H. Pallo – 72 Tarpaulines**

The Department explained that Mr Shaukat Ullah, F.G.I. had been held responsible for the loss of 72 Tarpaulines who was being proceeded against under E & D Rules.

The PAC directed that disciplinary action may be completed, and cost of 72 Tarpaulines be effected at the earliest. The item was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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) Alipur – 85 Tarpaulines**

The Department explained that 85 Tarpaulines were declared surplus by the Deputy Director, Food D.G. Khan and were put to auction. Auction money had been deposited into Government Treasury.

The PAC **settled the item subject to verification of record** relating to declaration of 85 Tarpaulines as surplus and their subsequent auction by Audit.

**(4) Seetpur – 71 Tarpaulines**

The Department explained that Mr. Nawazish Ali Shah, FGS had been held responsible for the loss of 71 Tarpaulines. He had since been dismissed from service in an other case on 7.8.99. Therefore, the recovery would be effected as arrears of land revenue.

The PAC directed that the case of recovery may be sent to the concerned District Collector immediately and efforts be made for its early finalization. The item was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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) D.D. Panah – 10 Tarpaulines**

The Department explained that 10-Tarpaulines had been accounted for at P.R. Center Kot Addu.

The PAC **settled the item subject to verification** of accountal of 10 Tarpaulines.

**14. Para 9.14: Page 67 – Non-Acknowledgement of 683 Tons of Wheat & 6830 Empty Bags at**

**Destination. Loss of Rs.1,599,927**

Audit had observed: “6830 filled bags, containing 683 tons of wheat, despatched from PR Centre Jalalpur Pirwala to PR Centre, Multan-I were not acknowledged by the recipient centre.”

**11-10-1999:** The Department explained that the entire quantity of 683 M. Tons wheat had been received at P.R. Center-I Multan. The position had been got verified by Audit.

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

**15. Para 9.15: Page 67 – Doubtful Declassification of Gunny Bags Valuing Rs.1.56 Million**

Audit had observed: “A number of 78258-A class gunny bags of the stated value were declared D-Class without observing the Departmental instructions and reduced from the balance without the order of competent authority. Neither the availability of these D-class bags nor their disposal under the rules was shown.”

**11-10-1999:** The para was composite para and the Department explained the item-wise position as under:-

**(1) Ehsanput – 1500 Bags Rs.30,000**

The Department explained that Mr. Rab Nawaz Gopang, Ex-FGI was held responsible who had been dismissed from service in an other case.

The PAC directed that the concerned District Collector may be requested to effect recovery as arrears of land revenue. The item was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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) Belaywala – 2917 bags – Rs.58,340**

The Department explained that Deputy Director Food, D.G. Khan had imposed recovery of Rs.58,340 on account of cost of 2917 bags upon the defaulter which would be recovered as arrears of land revenue.

The PAC directed that recovery may be effected as early as possible and disciplinary action may also be taken against the officer who initiated case for recovery after about six years. The item was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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) Bakaini – 2697 Bags – Rs.53,940**

The Department explained that 2697 bags had been declared inserviceable by the Competent Authority and had been auctioned. Auction money viz Rs.1,348 had been deposited into Government Treasury.

The PAC **settled the item subject to verification** of deposit money of Rs.1,348 by Audit.

**(4) Rukh Harpallo – 22286 bags – Rs.445,720**

The Department explained that 22286 bags were declared inserviceable by the Competent Authority and had been auctioned for Rs.18,961 Auction money had been deposited into Government Treasury. Audit pointed out that only 18961 bags were auctioned and 3325 bags had not been put to auction so far.

The PAC **settled the item subject to verification** of cost of recovery of remaining 3325 bags. The committee also directed that disciplinary action against the defaulters may be completed at the earliest.

**(5) Alipur – 22196 bags – Rs.443,920**

The Department explained that 22196 bags were declared inserviceable by the Competent Authority and had been auctioned for Rs.12,854 Auction money had been deposited into the Government Treasury and disciplinary action was under process against the defaulters.

The PAC **settled the item subject to verification of recovery** of Rs.12,854 and disciplinary action against the defaulters.

**(6) Shaher Sultan – 11584 bags – Rs.231,680**

The Department explained that 11584 bags were shown as D-Class which were declared as surplus and put to auction. Auction money viz Rs.14,145 had been deposited into Government Treasury. Proceedings under E & D Rules against the defaulters were under process

The PAC **settled the item subject to verification of auction money** and disciplinary action by Audit.

**(7) Daira Din Panah – 1452 – bags – Rs.29,040**

The Department explained that 1452 bags were shown as D-Class which had been declared as surplus and put to auction. Auction money of Rs.1,437 had been deposited into the Government Treasury.

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

**(8) Kot Addu – 3156 bags – Rs.63,120**

The Department explained that all the bags were shown as D-Class, declared as inserviceable by the Competent Authority and put to auction. Auction amount of Rs.8,955 had been deposited into Government Treasury. Disciplinary action against the defaulters was under process.

The PAC **settled the item subject to verification of recovery** of total cost of 3156 bags and disciplinary action against the defaulters by Audit.

**(9) Muzaffargarh – 7299 bags – Rs.145,890**

The Department explained that all the bags were shown as D-class, declared inserviceable by the Competent Authority and put to auction. Auction amount of Rs.4,000 had been deposited into the Government Treasury. Disciplinary action under E & D Rules against the defaulters was under process.

The PAC **settled the item subject to verification of recovery** and disciplinary action against the defaulters by Audit.

**(10) Rangpur – 3171 Bags Valuing Rs.63,420**

The Department explained that all the bags had been shown as D-class, declared unserviceable by the competent authority and put to auction. The auction amount of Rs.3,139 had been deposited into Government Treasury. Disciplinary action under E & D Rules against the defaulter was under process.

The PAC **settled the item subject to verification of recovery** and disciplinary action against the defaulters by Audit.

**16. Para 9.16: Page 68 – Non-Acknowledgement of 5160 Tons of Wheat Valuing Rs.1,341,600**

Audit had observed: “5160 M. tons of wheat was despatched from PR Centre, Jalalpur Pirwala but receipt of the wheat was not acknowledged by the recipient centre i.e. PR Centre Peshawar. This may be investigated and loss to Government recovered from the persons at fault.”

**11-10-1999:**The Department explained that 5160 M. Tons wheat was dispatched from P.R. Center Jalalpur Pirwala and the entire quantity of wheat had been received at P.R. Center, Peshawar. The position had been got verified by Audit.

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

**17. Para 9.17: Page 68 – Recovery of Rs.1,013,902 Value of 33023 A-Class and 5313 D-Class Bags (Rs.924,644 + Rs.89,258) Respectively**

Audit had observed: “The above said amount being value of 33023-A class and 5313 D-class bags was recoverable from different officials as per inventory register of June 1991-P.R. Centre, Shujabad.”

**11-10-1999:** The Department explained that recovery of 32014 out of 33023 A-Class bags had been imposed on the defaulting officials as under:-

<u>Sr. No.</u>	<u>Name of the Official</u>	<u>Quantity of A-Class Bags</u>
(1)	Mr Gulzar Ahmed Faridi,	14449
(2)	Mr Muhammad Saleem, F.G.I.	1819
(3)	Mr Rajab Ali Akhtar, A.F.C.	9146
(4)	Mr Aziz Abid, A.F.C.	6600

The cost of remaining quantity of A-Class bags had been recovered or adjusted against the Godown rent.

The Department further apprised the Committee that recovery of 5113 D-Class bags had also been imposed upon Mr Gulzar Ahmed Faridi. The concerned Distt. Collector had been requested to effect recovery as arrears of land revenue.

The PAC directed to:-

- (1) get the recovery verified by Audit.
- (2) recover the amount of loss in respect of remaining bardana and pursue the case with the Distt. Collector vigorously.
- (3) take the disciplinary action against the officers/officials responsible for non-recovery of Government loss despite the lapse of seven years.

The para was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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 9.18: Page 69 – Loss of Rs.999,785 Due to Godown Shortages of Wheat**

Audit had observed: “Godown shortage at PR centres of D.F.C, Bahawalpur, valuing Rs.999,785 noticed at the time of clearance of wheat storage was reported to the Food Department in August 1992 but no reply was received.”

**11-10-1999: (1) Binishell (BWP) 99-100 M.T.**

The Department explained that loss of 75,2804 M.T. costing Rs.226,594 had been written off by the Deputy Director Food, Bahawalpur. An amount of Rs.71,696 being the cost of 23.8196 M.T. wheat had been recovered and deposited with the Government.

Audit apprised the PAC that D.D. Food (BWP) was not competent to accord sanction of write off of Rs.2,265,594 and to execute the said write off sanction. He therefore split up the loss into various units to cover up the irregularity.

The PAC directed that Administrative Secretary himself should conduct an inquiry to ascertain the factual position as to why the irregular write off sanction was accorded by the D.D. Food and whether the write off sanction was accorded in a regular manner with a *bonafide* intention. The item was kept pending.

(2) Yazman – 60.954 M.T.

(3) Israni 53.460 M.T.

(4) Israni 79.900 M.T.

(5) Hasilpur 46.200 M.T.

In all the items from 2 to 5 the Department explained that recovery as well as write off cases were under process and would be finalized in due course of time.

The PAC kept all the items pending for recovery and write off sanction.

**17-06-2002:** 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 11 October 1999 by 30 November 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 9.19: Page 69 – Wasteful Expenditure on Transportation Charges Amounting to Rs.989,070**

Audit had observed: “The stated amount was spent on transportation charges un-necessarily in violation of approved plan according to which the wheat stocks were to be shifted to upward please of the district, whereas in this case the stock was shuttled downward of the district and again to upward which resulted into wasteful expenditure.”

**11-10-1999:** The Department explained that in this case five stations were involved i.e.

- (1) Sultan Colony to Muzaffargarh
- (2) Sanawan to Muzaffargarh
- (3) Thatta Gurmani to Muzaffargarh
- (4) Mirpur Bhagal to Rangpur
- (5) Muzaffargarh to D.G. Khan

Transportation of wheat from Sultan Colony to Muzaffargarh, Sanawan to Muzaffargarh, Thatta Gurmani to Muzaffargarh and Mirpur Bhagal to Muzaffargarh was in accordance with the

requirement. The Muzaffargarh was milling station and wheat stock was required to be provided to the Mills. Anyhow, the transportation of wheat stock from Muzaffargarh to D.G. Khan had not been considered justified as back journey was involved in this case. This case would be probed meticulously.

The PAC directed that the matter about all the five cases may be probed on the following lines:-

- (1) Whether there was emergent requirement of wheat at Muzaffargarh, Rangpur and D.G. Khan.
- (2) Whether the transportation was justified or not.
- (3) Whether any *mala fide* intention was involved or not.
- (4) Whether the wheat stocks were disbursed to Mills or not.

The para was kept pending.

**17-06-2002:** In line with the directive of the PAC dated 11 October 1999, **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 30 November 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 9.20: Page 69 – Godown Shortage of 326.613 Tons of Wheat in P.R. Center Lodhran Amounting to Rs.875,427**

Audit had observed: “Godown shortage of the stated value was declared in PR Centre, Lodhran vide GP 5 No.13/137, dated 22.3.1989. An FIR No.11 dated 19.4.89 was also registered against the accused but no end was achieved.”

**11-10-1999:** The Department explained that 42.613 M.T. godown shortage was detected and 284.00 M.T wheat was sold to the flour mills illegally by M/s Allah Dad F.G.I. and Din Mohammad Bhatti F.G.S. Criminal case had been registered against them. The case was tried by the Special Judge Anti-corruption from where they were acquitted by giving the benefit of doubt.

The PAC **settled the para subject to verification** of following by Audit:-

- (1) Sale proceeds of 284 M.T wheat supplied to Mills and excess receipts of 20.585 M. T. wheat at Lahore destination.
- (2) Write off sanction of 8.188 M.T. wheat
- (3) Recovery of loss of 13.840 M.T. wheat from the defaulters.

**21. Para 9.21: Page 70 – Declaration of Wheat 272.825 Tons Damaged in P.R. Center Basti Malook Costing – Rs.731,258**

Audit had observed: “A quantity of 272.825 tons worth Rs.731,258 of wheat was declared

damaged in PR centre Basti Malook in Scheme, 1987-88 vide GP-No.12/142 dated 31.3.1984. F.I.R No.21 dated 19.4.1989 was also got registered against the defaulter with Anticorruption Department, Multan.”

**11-10-1999:** The Department explained that an inquiry into the matter was being conducted which was at the final stage. Further necessary action would be taken in accordance with the findings of the inquiry.

The PAC directed that inquiry may be completed within two months positively and further necessary action may be taken accordingly. The para was kept pending.

**17-06-2002:** 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 11 October 1999 by 30 November 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 9.22: Page 70 – Non-Acknowledgement of 26400 A-Class Bags Costing – Rs.633,600**

Audit had observed: “88 bales consisting 26400 A class bags of the stated value were shown despatched from PR Centre Dunyapur to other centres but acknowledgements thereof in GP-7 were not found on record.”

**11-10-1999:** The Department explained that all the gunny bags dispatched from Dunyapur to Kahror Pacca and Zarik Wahin had been acknowledged at recipient end. The receipts of bags had been got verified by Audit.

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

## **23. Para 9.23: Page 70 – Non-Recovery of Rs.416,483 Being Value of 12643 A-Class & 3093 B-Class Bags**

Audit had observed: “As per inventory register of January 92, 3093 B-class & 12643 A-class bags @ Rs.20.20 ps & Rs.28 per bag valuing Rs.62,479 & Rs.345,004 respectively were outstanding against food grain inspector since long.”

**11-10-1999:** This para was a composite para and the Department explained the position as under:-

### **(1) 12643- A-class Bags**

The Department explained that this para was repetition of para 5.20.10 of the Audit report for the year 1984-85.

Any how, it was added that Malik Mohammad Shafi D.F.C was held responsible for the loss of bags and he was being proceeded against for the misappropriation of 12643 A-class bags. The case had not yet been finalized.

The PAC directed the Department to finalize the inquiry and Departmental action without

further loss of time. The position with regard to repetition of para may be got verified by Audit. The item was kept pending.

**17-06-2002:** 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 30 November 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) 3093 –B-class Bags**

In this case 2547 B-Class bags and 546 D-Class damaged bags were involved. The defaulter Rao Mohammad Islam F.G.I had deposited 2547 B-class bags at P.R. Center Multan-I. He was proceeded against for the loss of 56 D-class damaged bags. A recovery of Rs.7644 had been imposed upon the defaulter F.G.I. The said amount had been recovered from him.

The PAC **settled the item subject to verification of record** pertaining to receipt back of 2547 B-class bags and recovery of Rs.7644 by Audit.

**24. Para 9.24: Page 71 – Enroute Shortage of 104.730 Tons of Wheat Valuing Rs.315,237**

Audit had observed: “Wheat stock of above value despatched from Muzaffargarh and Rakh Harpaloo Centres to Islamabad, Chak Lala and D.G.Khan were received short at the destinations and thus 104.730 tons wheat was determined as transit shortage.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**25. Para 9.25: Page 71 – Enroute Shortage of Imported Wheat – Rs.314,618**

Audit had observed: “A review of GP-7 issued by P.R Centre-II revealed an enroute shortage of 120.809 M.T wheat plus shortage of 35 bags. Their value works out to Rs.314.618, which may be recovered forthwith from the concerned officials and refunded to Government.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the

PAC.

**26. Para 9.26: Page 72 – Excess Payment of Rs.304,669 During Transportation of Wheat**

Audit had observed: “The stated excess amount was paid to contractor during transportation of wheat within district in total disregard to the shortest routes.”

**17-06-2002:** 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 30 November 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 9.27: Page 72 – Recovery of Rs.293,690 Being Cost of 22529 D-Class and 3800 A-Class Gunny Bags.**

Audit had observed: “The recovery of a number of 22529 D-class and 3800 A-class gunny bags was pending against a food grain supervisor since 1984.”

**17-06-2002:** 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.

**28. Para 9.28: Page 73 – Godown Shortage of Rs.260,272**

Audit had observed: “The stock reports of the following centres exhibited godown shortage to the extent noted against each. It was due to the negligence and carelessness of the Centre Incharge.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**29. Para 9.29: Page 73 – Recovery of 47 Gunny Bales Costing Rs.253,800**

Audit had observed: “47 gunny bales consisting 14100 A-class empty bags of above value were stated to have been stolen from P.R Centre, Lodhran in 1985. The case was neither registered with any law enforcing agency nor Departmentally investigated.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**30. Para 9.30: Page 74 – Suspected Misappropriation of 38 Gunny Bales and 1050 Gunny Bags Valuing Rs.248,400**

Audit had observed: “A number of 38 gunny bales and 1050 gunny bags of the stated value were shown to have been despatched to different centres, but these were not received and accounted for at the recipient centres.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**31. Para 9.31: Page 74 – Recovery of the Cost of 24600 D-Class Bags Valuing Rs.246,000**

Audit had observed: “24600 D-Class bags of the stated value were recoverable from a food grain supervisor since 1988. Neither the bags nor their cost was recovered from him.”

**17-06-2002:** 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.

**32. Para 9.32: Page 74 – Enroute Shortage of Indigenous Wheat – Rs.236,982**

Audit had observed: “A review of G.P-7 revealed that 90.991 M.T. Wheat plus 27 Bags were declared as enroute shortage by the Incharge of PR Centre-II. The cost of the same worked out to Rs.236,982 may be recovered form the official concerned and deposited with the Government.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**33. Para 9.33: Page 75 – Enroute Shortage of 96.562 Tons Wheat and 121 A-Class Bags Valuing Rs.234,653.**

Audit had observed: “Wheat weighing 96.562 M.T and 121 A-Class bags of stated value was declared as enroute shortage, in P.R. Centre Dunyapur during the receipts in wheat scheme, 1989-90. @ Rs.2.40 per K.G. & 121 A-class bags @ Rs.24/- per bag respectively.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**34. Para 9.34: Page 75 – Non-Acknowledgement of 80 Tons of Wheat & 800 ‘A’ Class Bags Amounting to Rs.230,400**

Audit had observed: “Receipt of 800 filled bags, containing 80 tons of wheat, despatched from P. R. Centre Jalalpur Pirwals to P.R. Centre, Gujranwals was not acknowledged by the recipient centre.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**35. Para 9.35: Page 76 – Less Receipt of 76,400 Tons of Wheat Valuing Rs.229,964 at Destination Centre**

Audit had observed: “The entire wheat stock purchased at Ehsanpur and Sh.Umer Centre during the scheme 1990-91 was shown despatched to Chowk Munda Centre where 74.300 tons of wheat was less received. Moreover, 2.100 tons of wheat fell short at Dinapur Centre, total being 76.400 tons of wheat valuing at the stated amount.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**36. Para 9.36: Page 76 – Enroute Shortage of Indigenous Wheat – Rs.158,085**

Audit had observed: “A review of GP 7 issued by the Bins Centre, Rawalpindi revealed that an enroute shortage of 73.165 M.T wheat plus 52 bags, was declared by the incharge of the centre, the cost of which works out to be Rs.158,085 which may be recovered from the concerned officials and refunded to Government.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**37. Para 9.37: Page 77 – Shortage of 7221 A-Class Gunny Bags Costing – Rs.144,420**

Audit had observed: “A number of 7221 A-class bags of above value were still recoverable from growers at various centres since long.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**38. Para 9.38: Page 77 – Enroute Shortage of Wheat Worth Rs.134,713**

Audit had observed: “Wheat despatched to various stations was less acknowledged by the recipients thus causing shortage of 49,487 Metric Tons. Despite the lapse of 3 years no responsibility had been fixed for the loss worth Rs.134,713 to the Government Exchequer.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**39. Para 9.39: Page 78 – Enroute Shortage of 37.825 Metric Tons Wheat Worth Rs.130,496**

Audit had observed: “Wheat despatched to various centres was less acknowledged causing loss worth Rs.130,496.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**40. Para 9.40: Page 78 – Treasury Challans Worth Rs.115,829 Not Produced to Audit**

Audit had observed: “Wheat costing Rs.115,829 was sold to the flour mills of Rawalpindi vide SF 21 No.02/471, dated 12.6.85 but no treasury challans duly verified by the Distt. Accounts Officer, Rawalpindi through which the cost of the said wheat was deposited into Govt. accounts was produced to audit in token of sale on cash deposit. It created doubt that whole of the aforesaid bags have been issued to the flour mills, without getting their cost deposited into Govt. accounts.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**41. Para 9.41: Page 78 – Non-Accountal of Stock Articles Delivered by the Market Committee – Rs.115,483**

Audit had observed: “Stock articles of stated value received from different market committees were not taken into inventory/stock register of various PR centres nor any disposal thereof was shown to audit.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**42. Para 9.42: Page 79 – Enroute Shortage of Indigenous Wheat Amounting to Rs.114,912**

Audit had observed: “A review of GP-7 issued by the Bins Centre, Rawalpindi revealed that an enroute shortage of 55,280 M.T plus shortage of 58 bags was declared, the cost of which worked out to Rs.114,912. The same may be recovered from the officials concerned and refunded to Government.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**43. Para 9.43: Page 79 – Overpayment of Rs.100,000 on 30.5.79 made in Purchase Bill**

Audit had observed: “An overpayment of the stated amount was noticed as a result of comparison of bank statement supplied by manager Adhi-Bagh Multan, relating to wheat procurement during the year 1979. On 30.5.79 against amount of purchase bill of Rs.45,156 a payment of Rs.145,156 was made which was not recovered from the concerned official even after a lapse of 12 years.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**44. Para 9.44: Page 79 – Enroute Shortage of 31.716 MT Wheat Worth Rs.109,420 (Recoverable Balance Rs.84,946)**

Audit had observed: “Enroute shortage of 31.716 MT during transit to various out stations came to notice of audit. Out of total loss valuing Rs.109,420 an amount of Rs.24,474 was deposited so far

on this account by the concerned official, leaving a balance of Rs.84,946 worked out @ Rs.345/- per 100 k.g.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**45. Para 9.45: Page 80 – Recovery of the Cost of Difference of 2538 A-Class and D-Class Bags Valuing Rs.62,760**

Audit had observed: “The cost of difference in value of 2538 A-class bags irregularly declassified from A to D needs to be recovered from the persons responsible.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**46. Para 9.46: Page 80 – Suspected Misappropriation of 240 Bags Containing 22.800 MT Wheat Worth Rs.59,280**

Audit had observed: “According to GP 6 No.35/1089, dated 13.7.85, Nankana Sahib Centre despatched 49541 bags but GP 7 No.28/1905, dated 15.7.85 of Bins Centre, Rawalpindi showed the receipt of bags by Nankana as 49301. The whereabouts of 240 bags of indigenous wheat could not be found out, which indicated that the said No. of bags had been misappropriated, the cost of which may be recovered from the concerned officials, disciplinary action taken and amount refunded to Government.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**47. Para 9.47: Page 80 – Enroute Shortage of 21050 K.G. Wheat Valuing Rs.58,940**

Audit had observed: “41386 bags of wheat weighing 4138.600 metric tons were despatched from Flag Centre Bodhla Sant whereas 4117.550 metric tons of wheat was received in PR Centre Steel Silos. Thus the cost of difference i.e. 21.050 tons at the rate of Rs.2.80 per K.G. which comes to Rs.58,940 may be recovered from person(s) at fault. The matter was brought to the notice of the Department in July 1992 but no response. The matter maybe investigated and recovery effected from the defaulter(s) and refunded to Government.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**48. Para 9.48: Page 81 – Expenditure in Excess of Prescribed Limit on Residential Telephone Amounting to Rs.44,905**

Audit had observed: “The Divisional heads of Food Department are entitled to 600 free local calls on residential telephone vide No.SO(PW-I)2-1 (Tele.)82, dated 10.7.1985, issued by the Finance Department. Cost of calls in excess of that limit is to be paid by the concerned officers out of their own pockets. The stated amount covering period from May 1989 to March 1991 in respect of phone number 6372 Bahawalpur was paid in excess of prescribed limit by the Deptt. instead of by the Deputy Director, Food, himself.”

**17-06-2002:** 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.

**49. Para 9.49: Page 81 – Outstanding Bardana against Zamindars Valuing Rs.38,800**

Audit had observed: “Six Bales plus 140 A-class Bags were advanced to the growers which were not returned by them to the Department even upto the end of December 1991.”

**17-06-2002:** 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.

**50. Para 9.50: Page 82 – Enroute Shortage of 142.26 Tons of Wheat Amounting to Rs.36,980**

Audit had observed: “2312.500 tons wheat was despatched from P.R. Centre Jalapur Pirwala to P. R. Centre Moghalpura, Lahore of which only 2170,238 tons of wheat was acknowledged by the recipient centre, as such the enroute shortage of wheat weighing 142.262 tons took place.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**51. Para 9.51: Page 82 – Recovery of 2939 B-Class Bags of 78-79 (Scheme) at P.R. Centre Karor Pacca Valuing Rs.32,917**

Audit had observed: “A number of 2939 B-class bags of 1978-79 scheme were outstanding against a retired official. Neither the cost nor the bags were recovered from him so far.”

**17-06-2002:** 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.

**52. Para 9.52: Page 83 – Less Deposit of Cost of 130 Bags of Wheat – Rs.31,460**

Audit had observed: “1071 bags of wheat were sold on 16.8.89 of which 190 bags were sold to Kisana Flour Mills against which the Mill deposited the cost of 60 bags only instead of 190 bags, resulting in less deposit of Rs.31,460.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**53. Para 9.53: Page 83 – Less Accountal of 1705 Bags Valuing Rs.28,480**

Audit had observed: “While carrying forward the balance in different months, 300 A-class and 1405 B-class gunny bags @ Rs.20 and Rs.16 respectively were not taken into account.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**54. Para 9.54: Page 83 – Enroute Shortage of Indigenous Wheat Amounting to Rs.26,127**

Audit had observed: “During 1984-85 against 1403.625 M.T wheat despatched, only 1397.525 M. T was received at the centre resulting in an enroute shortage of 6.100 M.T, the cost of which was worked out to Rs.15,860. Again during 1985-86 the total despatch from 107-6R Haroonabad was 744.800, but the receiving centre acknowledged 740.851 M.T, resulting in enroute shortage of 3.949 M.T.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**55. Para 9.55: Page 84 – Non-Production of Record**

Audit had observed: “During the course of audit it was noticed that wheat from the various centres was received at PR Centre-I,II, PR Cantt, PR Gujar Khan, PR Taxila and Bins Rawalpindi but GP 6 issued by the despatching end was not produced to audit in the absence of which the total quantity of wheat despatched to a centre during 1984-85 to 1985-86 could not be correctly compared and the non-linking may result in serious observations.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**56. Para 9.56: Page 84 – Treasury Challans Not Produced to Audit**

Audit had observed: “90554.970 MT wheat was sold during 1985-86 scheme but no treasury challan duly verified by the Distt. Accounts Officer, Rawalpindi was produced to Audit in the absence of which the sale on cash deposits as recorded in SF 21 cannot be considered authentic and may lead to certain observations. The original treasury challans duly verified by the Distt. Accounts

Officer, Rawalpindi may be shown to Audit.”

**17-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **Revenue Receipts Audit**

### **1. Para 5.1: Page 41 – Non-Realisation of Sugarcane (Development) Cess on Additional Price – Rs.10,358,101**

**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.

### **2. Para 5.2: Page 42 – Non-Recovery of Sugarcane (Development) Cess – Rs.774,424**

**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.

### **3. Para 5.3: Page 42 – Non-Realisation of Grower/Supplier’s Share of Sugarcane (Development) Cess – Rs.218,553**

**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.

### **4. Para 6.1: Page 43 – Non-Finalization of Inspection Reports**

**26-06-2002:** 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.



Forestry, Wildlife, Fisheries and

# Tourism Department

## Overview

Total Paras	Civil	Commercial
<b>39</b>	<b>31</b>	<b>8</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b> <b>2</b>	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	<b>Commercial:</b> 3(ix), 47	<b>2</b>
<b>Paras Finally Settled</b> <b>15</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 10.7, 10.8, 10.13, 10.15, 10.19, 10.20, 10.21, 10.22, 10.24, 10.25, 10.26, 10.27, 10.28, 10.30, 10.31	<b>15</b>
<b>Paras Conditionally Settled</b> <b>18</b>	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.	<b>Civil:</b> 10.2, 10.6, 10.9, 10.10, 10.11, 10.12, 10.14, 10.16, 10.17, 10.18, 10.23, 10.29,	<b>12</b>
		<b>Commercial:</b> 48, 49, 50, 51, 52, 53	<b>6</b>
<b>Paras Pended</b> <b>4</b>	Paras pended as the Department had not taken satisfactory action.	<b>Civil:</b> 10.1, 10.3, 10.4, 10.5	<b>4</b>

**Discussed on 13 July, 8 November 1995, 3 July 1998, 15 March, 1 October 1999,**

**17 and 26 June 2002.**

## Civil Audit

### **1. Para 10.1: Page 85 – Loss of Rs.2,655,000 due to Illegal Encroachment in Forest Area**

Audit had observed: “1990 Rft. chain link fence of forest park, Gatwala in Faisalabad Forest Division was dismantled by an offender in addition to illegal encroachment of 6.24 Kanals forest land of the park. A loss of Rs.2,655,000 was assessed on this account.”

**13-07-1995:** Facts of the case were that late Ch. Mohammad Nazir Ahmed, MNA, illegally encroached the Government land measuring 6.24 kanal of Gatwala Forest Park, Faisalabad, dismantled 1990 Rft Chain link fence, damaged the plants of the Park and put a barrier on the road, being used for the park, causing the loss of Rs.36 lac to the Government. The loss was brought to the notice of the then Chief Minister Punjab and a committee of three members was constituted. A draft agreement was prepared to settle the case of encroachment by the MNA through exchange of land but the agreement could not be signed due to the death of the late MNA. Now Ch Shahid Nazir, the legal heir of late Ch. Mohammad Nazir Ahmad, was not accepting the agreement and wanted to revise the same.

The Committee observed that encroachment of Government land was a criminal offence and therefore, a report should had been lodged with the Police. The Committee also showed displeasure over improper handling of the case and for not taking the proper action at the proper time. The Department was directed to take up the matter at most proper forum/level and got it decided early. The para was kept pending.

**03-07-1998:** The Department explained that late Ch. Nazir Ahmad M.N.A. of Faisalabad illegally encroached the Government land measuring 6.24 Kanal of Gatwala Forest Park, Faisalabad causing the loss of Rs.36 lac to Government. The matter was brought to the notice of the Chief Minister. The late MNA offered an agreement by exchange of land but the same could not be signed due to death of the MNA. Now, Ch. Shahid Nazir, the legal heir of the late MNA was not accepting the agreement. Again the matter was brought to the notice of the Chief Minister Punjab and as a result the exchange of land was done. Board of Revenue had approved the exchange of land. The Department had taken the possession of the exchanged land and the same had been incorporated in the revenue record of Faisalabad.

The Public Accounts Committee directed the Department to thrash out the case and to bring the actual position before the Committee as to whether the land had been taken over by the Department or not, and whether the State land had been exchanged with the land owned by the MNA. The factual position may also be got confirmed from the Board of Revenue and Irrigation Department. It may also be clarified whether the exchanged land was equal in value to that encroached by the late MNA. The para was kept pending.

**17-06-2002:** 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 10.2: Page 85 – Loss of Rs.1,188,581 Due to Non-Disposal of Forest Offence Cases**

Audit had observed: “1039 forest offence cases of Kasur Forest Division involving damage of Rs.1,188,581 relating to the year 1988-89 to 90-91 had neither been compounded nor prosecuted as required to be done within minimum possible time in accordance with the provisions of Forest Act. Matter in this respect was required to be investigated and loss recovered from the persons concerned and made good to Govt. The position of outstanding cases relating to previous years was alarming and it necessitated severe action against the persons concerned.”

**13-07-1995:** The Department explained that most of the cases were pending in the court and recovery in several cases was also effected amounting to Rs.181,893. The Public Accounts Committee directed the Department to pursue the court cases vigorously. It was also directed that for quick disposal of cases special Magistrate be provided in every forest division. The para was kept pending for balance recovery including the cases pending in court.

**03-07-1998:** The Department explained that total value of pending cases was Rs.1,146,700 instead of Rs.1,188,581 as calculated by Audit. An amount of Rs.181,893 had already been recovered and shown to the Public Accounts Committee on 13-7-95. A further amount of Rs.46,687 had been recovered and adjusted in the accounts. The court cases were also being pursued vigorously.

The PAC directed the Department to recover the balance with hectic efforts and also to pursue the court cases for their early decision. The para was kept pending.

**17-06-2002:** 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 3 July 1998 by 30 November 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 10.3: Page 86 – Apprehended Loss of Rs.7,247,000 Due to Transfer of a Rest House to Punjab Tourism Development Corporation**

Audit had observed: “A VIP rest house constructed in Kasur Forest Division at a cost of Rs.22.47 lac was transferred to Tourism Development Corporation Punjab w.e.f Feb 1988 on the following terms:-

(i) Corporation would further lease the rest house (Motel) to a private management and retain 25% of the income while 75% would be deposited with the Forest Department.

(ii) This arrangement would continue till Rs.15 lac were deposited with the Forest

Department.

The rest house was constructed out of the amount taken by the Government as loan on 14.6% interest. Accordingly the Govt. had to pay Rs.3.28 lacs per annum on account of interest whereas only a sum of Rs.75,000 was expected each year on account of lease rent. Nothing had been received on account of rent upto September 1991 and a net loss of Rs.2.50 lacs per annum was expected provided payment was regularly made by the T.D.C.P. The amount of Rs.15 lac was likely to be deposited within 20 years and till that time a loss of Rs.50 lac was estimated on account of interest payable by the Government from its own sources. Accordingly a loss of Rs.72,47 lac is liable to be sustained by the Govt. in addition to free use of the land of reserve forests by the T.D.C.P.”

**13-07-1995:** A new forest lodge in Changa Manga forest to provide boarding and lodging facilities to local as well as foreign tourists, was constructed by the Department by obtaining a loan of Rs.22.47 lac bearing interest @ 14.6%. Later on the said forest lodge was transferred to PTDC free of cost. As a result the Department was put to loss as along with the principal amount an interest of Rs.3,600,000 had been accrued thereon.

The Public Accounts Committee viewed all this mess seriously and expressed that why all the financial aspects were not anticipated while preparing the P.C.I of the project. The Public Accounts Committee also directed to submit a report showing how much income was received by the Government for the said lodge and how the loan would be repaid. The para was kept pending.

**03-07-1998:** The Department explained that after the inauguration of the lodge on 20-11-86 the question of its future management was discussed. It was decided that lodge should be leased out to some experienced private party. The matter was advertised through the press and highest offer of Rs.100,000 per annum was received, but the Finance Secretary did not favour the leasing out of lodge at a cost of Rs.100,000 per annum on the plea that rate of return was Rs.4.5% per annum while 14.6 % was to be paid in cash for Development of Land obtained by the Punjab Government for investment in A.D.P. Later on the lodge was transferred to the TDCP on 24-3-1988. The TDCP was required to pay to the Forest Department 75% of the receipt but the T.D.C.P. did not pay any amount to the Forest Department according to the contract. The case for the recovery of lease money was also under process.

The Public Accounts Committee was neither satisfied with the explanation nor with departmental efforts to make good the money expended by the Department along with the interest thereon. The Department was directed to take over the possession of the lodge from TDCP immediately as the TDCP had failed to pay 75% of the receipts of the lodge as per agreement. The para was kept pending.

**17-06-2002:** 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 10.4: Page 87 – Shortage of Timber, Firewood and Planting Material Worth Rs.6 Million**

Audit had observed:

“(a) Timber, firewood and planting material worth Rs.5,189,204 was reported short in stock by concerned Sub-Divisional Forest Officers of Kasur Forest Division. It was stated by the office that the matter was being investigated to fix the responsibility.

(b) Timber and firewood valuing Rs.863,338 was noticed short in Kasur Forest Division at the time of transfer of charge of sale depot, at Lahore. It was intimated that the matter was already under investigation.”

#### **Item A-1-Shisham Logs 6=68.20 CFT Valuing Rs.13,640**

**03-07-1998:** The Department explained that shortage of shisham wood was detected by SDFO and value of the same was fixed as Rs.2,250 at the average sale rate. Audit picked up this point from the report of SDFO and calculated the value of the short shisham wood at compensation schedule rate of 1988. Mr. Mohammad Shafique, Forest Guard was held responsible and recovery of Rs.2,250 was imposed and recovered from him which had been verified by Audit.

As per requirement of Audit, the matter was pursued for recovery of Rs.11,390 but concerned official went into appeal with the Punjab Services Tribunal against the orders of balance of Rs.11,390.

The PAC constituted the following Sub Committee No.4 to thrash out whether average sale rate was applicable or compensation schedule rate for recovery of loss from the defaulter:-

- (i) Mr. Usman Ibrahim, MPA and
- (ii) Dewan Mushtaq Ahmad MPA.

The item was kept pending.

**01-10-1999:** The Sub-Committee made the following recommendations:-

(i) Compensation rates should be applied for calculation of loss on account of misappropriation/removal of forest produce under the Forest Act. Besides disciplinary action should also be taken against the defaulter.

(ii) Last sale rate of forest produce at the time of recovery should be applied for recalculation of loss on account of shortage of forest produce which had been effected due to termite and long storage and other climatic conditions and any other loss due to negligence of the Forest Officers/Officials. The defaulters should be dealt with under Punjab E&D Rules. However, where there is no negligence of the staff, loss could be got written off from the Competent Authority.

(iii) Allowance for dryage/shrinkage should be given.

(iv) In case of store articles other than the forest produce recovery should be made at the sale rate of the item prevailing in the market at the time of recovery and the defaulters should

be dealt with under E&D Rules.

**17-06-2002:** The Committee approved the above-mentioned recommendations of the Sub-Committee and **settled the item with the direction** that the Department shall implement the said recommendations and the action taken shall be reported to Finance Department, the Assembly Secretariat and the Audit by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**Item No.A-2-Simal: Logs 13=11.31 CFT – Valuing Rs.226**

**03-07-1998:** The Department explained that the matter was enquired into and Mr. Mohammad Shafique, Forest Guard, was held responsible for the loss. Recovery of Rs.158.34 was imposed which had since been recovered from him and got verified by Audit. The explanation was accepted and **the item was settled.**

**Item No.A-3-Shisham: Logs 71.12 CFT – Valuing Rs.14,224**

**03-07-1998:** The Department explained that actual shortage was 1992.47 CFT instead of 71.12 CFT as pointed out by Audit. The shortage was due to difference in remeasurement of timber in the sale depot. An inquiry was conducted which revealed that quantity was found less in the sale depot after remeasurement and accordingly recovery of Rs.4,035 on account of excess charges of cutting conversion was imposed upon Mr. Nizam Din, Forester, Mr. Abdul Aleem, Forest Guard and Mr. Mohammad Rafique, Forest Guard. The recovery had since been completed and verified by Audit. The explanation was accepted and **the item was settled.**

**Item No.A-4-Pipal: Logs 85.10 CFT – Valuing Rs.1,702**

**03-07-1998:** The Department explained that difference of 85.10 CFT wood was due to re-sawing of 6 pieces of wood into 10 pieces. No conversion charges were paid and this item had also been deleted from the relevant books. Therefore, no loss was involved. The PAC accepted the explanation and **the item was settled.**

**Item No.A-5-Ber: Log 1=4.50 CFT – Valuing Rs.100**

**03-07-1998:** The Department explained that loss of Rs.100 had since been recovered from the official concerned and verified by Audit. The Committee accepted the explanation and **settled the item.**

**Item A-6-Shisham: Logs 457=5825.7 CFT – Valuing Rs.1,165,140**

**Item A-7-Shisham: Logs 467=2737.2 CFT – Valuing Rs.577,440**

**03-07-1998:** The Department explained that Audit had worked out the loss as Rs.1,742,580 (1,165,140 + 577,440) by applying compensation rate which was not justified. Actually the loss on the basis of average sale rate came to Rs.252,190.80. The matter was enquired into 3 times and resultantly M/s. Nazir Ahmad, Forest Guard and Inayat Naseem F.R. were held responsible for the loss and recovery of Rs.126,095.40 was imposed on each of the defaulters. An amount of Rs.6,600 had so far been recovered from Mr.Nazir Ahmad, Forest Guard and verified by Audit and remaining recovery was in progress. The other defaulter Mr. Inayat Naseem had not deposited any amount.

Now the recovery was being effected from the pay of the official in monthly installments. The Committee kept the items pending for the balance recovery.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled items A-6 and A-7 subject to the following direction—**

The Department shall implement the directive of the PAC dated 3 July 1998 by 30 November 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.

**Item No.8-Frash: Logs 3=37.2 CFT – Rs.744**

**Item No.9-Amaltas: Logs 2=20.4 CFT – Rs.400**

**03-07-1998:** The Department explained that full recovery was Rs.1,144 which had been effected and verified by Audit. The explanation was accepted and **item Nos. 8 and 9 were settled.**

**Item No.10-Paper: Mulberry Logs 68=406 CFT – Valuing Rs.2,030**

**03-07-1998:** The Department explained that actually the wood in question was popular timber instead of paper mulberry logs. The paper mulberry logs entry in the record was a clerical mistake. Audit also verified the position and departmental explanation was found correct. The PAC accepted the explanation and **settled the item.**

**Item No. 11-Willow: Logs 6=16.60 CFT – Valuing Rs.312**

**03-07-1998:** The Department explained that these logs were carried to the sale depot during 1/92 and there was no shortage. The position had also been verified by Audit. The PAC accepted the explanation and **the item was settled.**

**Item No.12=Siris: Log 0=3.50 CFT – Rs.70**

**Item No.13-Shisham: Log 0=4434 CFT – Rs.886,800**

**Item No.14-Shisham: Logs 0=350.6 CFT – Rs.870,120**

**03-07-1998:** The Department explained that a quantity of 2043 logs equal to 25727.30 CFT Shisham Siris timber was obtained from the Changa Manga Plantation and the same was carried to the said sale depot where it was remeasured and acknowledged as 2043 logs equal to 16939.20 Cft. The difference of 8788.10 Cft was due to remeasurement in sale depot. The wrong measurement at the 1st instance in the plantation was carried out by the concerned staff which also caused excess payment to labour. The concerned staff was proceeded against and excess payment amounting to Rs.26,691.85 made to the labour on account of wrong measurement was recovered from the defaulters. Also, one of the concerned official challenged the calculation of loss on compensation rate basis in the court and the case was now sub judice.

The PAC was not satisfied with the explanation of the Department and directed that remaining loss of Rs.1,730,298 may also be recovered as worked out by Audit, if the court had not stayed the recovery. The items were kept pending.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled item Nos. 12, 13 and 14 subject to the following direction—**

The Department shall implement the directive of the PAC dated 3 July 1998 by 30 November 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.

**Item No.15-Shisham: Logs 0=4607 CFT – Rs.921,662**

**03-07-1998:** The Department explained that the matter was enquired into twice and as result it was found that M/s. Mohammad Hassan, Forester and Gulab Din, Forest Guard were responsible for the net book shortage of 1182.98 CFT instead of 4607 CFT as pointed out by Audit. The shortage was due to wrong measurement. The accused officials were proceeded against and a recovery of Rs.2,011.07 was imposed upon them being overpayment of the said net book shortage. The recovery of Rs.2,011.07 had since been effected and verified by Audit.

The PAC was not satisfied with the Departmental explanation and directed the Department to produce all the relevant record to Audit for reverification and the item was kept pending.

**17-06-2002:** Reiterating the decision of the PAC dated 3 July 1998, **the Committee settled the item 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**Item No.16-Firewood: 15026 CFT – Rs.45,076**

**03-07-1998:** The Department explained that Mohammad Shafique Forest Guard was held responsible for shortage of 19395 CFT firewood (including 15026 CFT pointed out by Audit) and recovery of Rs.40,560 at the average sale rate was imposed upon him and an amount of Rs.15,291 had since been recovered and verified by Audit leaving a recoverable balance of Rs.25,269.

The Public Accounts Committee kept the item pending for the balance recovery of Rs.25,269.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the item subject to the following direction–**

The Department shall implement the directive of the PAC dated 3 July 1998 by 30 November 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.

**Item No.17-Firewood: 31522 CFT – Rs.94,565**

**03-07-1998:** The Department explained that M/s. Allah Yar, Forester and Bashir Ahmad Forest Guard were involved in the shortage of 49043 CFT firewood (including 31522 CFT pointed out by Audit) equally and a recovery of Rs.95,422 (Rs.47,711 each) was imposed upon them. Mr. Allah Yar was regularly paying the recovery in monthly installments and so far Rs.11,675 had been recovered from him while other accused Mr. Bashir Ahmad, Forest Guard (Retd) had gone into appeal with Conservator of Forest Lahore.

The PAC kept the item pending and directed the Department to recover the balance amount from both the defaulters at the earliest, under the law.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the item subject to the following direction–**

The Department shall implement the directive of the PAC dated 3 July 1998 by 30 November 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.

**Item No.18-Firewood: 108142 CFT – Rs.324,426**

**03-07-1998:** The Department explained that shortage of 108142 CFT firewood was enquired into and as result it was found that the said shortage was due to shrinkage, dryage, decaying and insect attack and the officials concerned were exonerated of the shortage allegation. However, a recovery of Rs.5,191 being the conversion charges of 108142 CFT firewood was imposed on the officials concerned which had since been recovered and verified by Audit. The Committee accepted the explanation and **settled the item.**

**Item No.19=Mudhies: 5791 Nos – Rs.86,865**

**03-07-1998:** The Department explained that actual shortage was 8605 mudhies instead of 5791 as recorded by Audit. The matter was investigated and Mr. Mohammad Siddique Forest Guard was held responsible for the shortage. A recovery of Rs.129,075 was imposed upon the official. Recovery was being effected in monthly installments and so far Rs.1600 had been recovered and verified by Audit. The remaining recovery was in progress. The official filed an appeal in the Punjab Services Tribunal and therefore, the matter was sub judice.

The PAC directed the Department to pursue the recovery and court case vigorously. The item was kept pending.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the item subject to the following direction–**

The Department shall implement the directive of the PAC dated 3 July 1998 by 30 November 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.

**Item No.20 & 21: Seed 2830 Kg, Shisham Seed 85 Mds – Rs.14,130**

**03-07-1998:** The Department explained that the matter was investigated and Mr. Rashid Ahmad, Forester was held responsible for the loss. A recovery of Rs.14,685 was imposed upon him. Total amount had been made good and verified by Audit. The PAC accepted the explanation and **settled the item.**

**Item No.22: Shisham Seed 308 Mds 20 Seer – Rs.27,765**

**03-07-1998:** The Department explained that the matter was enquired into and inquiry officer found that the seed was damaged due to natural and climatic factor and no negligence was involved. The matter had been referred to the Conservator of Forest, Lahore Circle to write off the loss. The write off sanction was awaited. The PAC kept the item pending for the said write off sanction.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the item subject to the following direction–**

The Department shall implement the directive of the PAC dated 3 July 1998 by 30

November 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.

**Item No.23-Bamboo: Plants 200 Nos. – Rs.400**

**03-07-1998:** The Department explained that relevant record was scrutinized and it was found that at the Farm of Changa Manga for the month of 2/88 the closing balance was shown as 200 Nos. shisham stumps. In 3/88 while forwarding the previous balance the same was shown as 200 Nos. bamboo plants instead of shisham stumps which was a clerical mistake. The cost of 200 shisham stumps was Rs.20 which had been recovered and verified by Audit. The PAC accepted the explanation and **settled the item.**

**Item No. 24-Ballas: 20 No. – Rs.200**

**03-07-1998:** The Department explained that Ballas were used in fencing and there was no shortage. The explanation was accepted and **the item was settled.**

**Item No.25-Jaclyn: Logs 1=30.8 CFT – Rs.1504**

**03-07-1998:** The Department explained that log was carried to sale depot during 8/90 and there was no shortage and position had also been verified by Audit. The PAC accepted the explanation and **settled the item.**

**Item No.26-Aritha: Logs 2=28.12 CFT – Rs.1,408**

**03-07-1998:** The Department explained that logs were carried to the sale depot in 11/91 and there was no shortage or loss. The position had also been verified by Audit. The PAC accepted the explanation and **settled the item.**

**Item No.27-Shisham Logs: 8=81.0 CFT – Rs.8,100**

**03-07-1998:** The Department explained that the matter was enquired into and Mr. Mushtaq Hussain, Forest Guard was held responsible for the loss. The recovery of Rs.14,031 was imposed upon him. The entire amount had been recovered. But Audit had verified the recovery of Rs.11,060 and remaining amount of Rs.2,971 was yet to be verified by Audit. The PAC kept the items pending for the verification of balance recovery of Rs.2,971.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the item subject to the following direction–**

The Department shall implement the directive of the PAC dated 3 July 1998 by 30 November 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.

**Item No.28-Shisham: Logs 2=76 CFT – Rs.15,200**

**03-07-1998:** The Department explained that relevant record was checked and found that 2=76 CFT shisham logs were not shown short and these were carried to the sale depot in 11/91 and 3/92. The position had also been verified by Audit. The PAC accepted the explanation and **the item was**

settled.

**Item No.29-Shisham: Logs 0=1046.90 CFT – Rs.104,690**

**03-07-1998:** The Department explained that the matter was enquired into and Mr. Mohammad Rafique Forest Guard was held responsible for the loss. A recovery of Rs.69,293.40 was imposed upon him. So far an amount of Rs.8,309 had been recovered and balance recovery was in process.

The PAC kept the item pending for balance recovery and its verification by Audit.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the item subject to the following direction–**

The Department shall implement the directive of the PAC dated 3 July 1998 by 30 November 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.

**Item No.30-Shisham: 129=161.70 CFT – Rs.16,170**

**03-07-1998:** The Department explained that the matter was enquired into and M/s. Hadayat Ullah Forester and Mohammad Rafique Forest Guard were held responsible for the loss. Recovery of Rs.5,821 was imposed upon them @Rs.36 per CFT instead of the rate of Rs.100 per CFT used by Audit as the timber was undersized and of low quality. The total amount had been recovered and verified by Audit. The Committee accepted the explanation and **the item was settled.**

**Item No.31-F/W: 1977 CFT – Rs.6,931**

**03-07-1998:** The Department explained that the matter was enquired into and Mr. Mushtaq Hussain, Forest Guard was held responsible for the loss. The recovery of Rs.14,031 was imposed upon him. The entire amount had been recovered. But Audit had verified the recovery of Rs.11,060 and remaining amount of Rs.2,971 was yet to be verified by Audit. The PAC kept the items pending for the verification of balance recovery of Rs.2,971.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the item subject to the following direction–**

The Department shall implement the directive of the PAC dated 3 July 1998 by 30 November 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.

**Item No.32-Firewood: 2001 CFT – Rs.6003**

**03-07-1998:** The Department explained that the entire loss amounting to Rs.6,003 had been recovered from the defaulters and verified by Audit. The explanation of the Department was accepted and **the item was settled.**

**Item No.33,34 & 35-Mudhies: 344 Nos. – Rs.5,160**

**03-07-1998:** The Department explained that all the mudhies were sold either at the sale depot or in the Forest and therefore, there was no shortage. The position had also been verified by Audit. The

explanation was accepted and **the item was settled.**

**Item No.36-Shisham: Seed 25 Mds – Rs.2,250**

**Item No.37-Simal: Seed 180 Kg – Rs.3,240**

**03-07-1998:** The Department explained that the matter was enquired into and Mr. Ahmad Din, Forest Guard was held responsible for the loss. A recovery of Rs.4,800 was imposed upon him which had been recovered and verified by Audit. The PAC accepted the explanation and **settled item Nos. 36 and 37.**

**Item No.38-Shisham Seed: 19 Mds – Rs.1,710.**

**03-07-1998:** The Department explained that said quantity of seed was never found short rather the same was utilized by the Changa Manga Sub-Division and Audit had also verified the position. The explanation was accepted and **the item was settled.**

**Item No.B-1-Firewood: 16296 Mds – Rs.621,140**

**03-07-1998:** The Department explained that the matter was enquired into and it was found that quantity of 16295 Mds also include a quantity of 7828 Mds of wastage which had already been accounted for leaving a balance 8467 Mds. There was another disputed quantity of 4943 Mds which had also been settled. So actual shortage was only 3524 Mds. The concerned Forest Guard responsible for the shortage had been expired. The value of the actual shortage was Rs.45,812 which had been made good from the pensionary benefits of the late Forest Guard. The PAC directed the Department to produce all the record to Audit for verification and kept the item pending.

**17-06-2002:** Reiterating the decision of the PAC dated 3 July 1998, **the Committee settled the item 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**Item No.B-2-Charcoal: 59 Mds – Rs.6,900**

**03-07-1998:** The Department explained that 59 Mds charcoal was available at site and there was no shortage. The position had also been verified by Audit. The PAC accepted the explanation and **settled the item.**

**Item No.B-3-Shisham: Plants 5=23.2 CFT – Rs.14,162**

**03-07-1998:** The Department explained that shisham plants 5=23.2 CFT were sold vide form No. 8 of 11/91 and there was no shortage. The position had been verified by Audit. **The item was settled.**

**Item No.B-4-Shisham: Plants G-III 396=665.73 CFT – Rs.252,977.40**

**Item No.B-5-Shisham: Plants G-III 0=11 CFT – Rs.41.80**

**03-07-1998:** The Department explained that total quantity of shisham plants was 456=7070.49 CFT. Out of the said quantity of shisham plants a quantity of 241=261.34 CFT had been sold either at sale depot or in open auction and amount so recovered had been accounted for in the books. The remaining quantity of 215=446.15 CFT pertained to late Ghulam Hussain, Forester. An amount of Rs.74,806 being the value of 215=446.15 CFT shisham plants had been recovered from the pensionary benefits of the late Forester.

The Public Accounts Committee directed the Department to produce the relevant record to Audit for verification and kept the items pending.

**17-06-2002:** Reiterating the decision of the PAC dated 3 July 1998, **the Committee settled item Nos. B-4 and B-5 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**Item No.B-6-Shisham: Beam 2=10 CFT – Rs.4,500**

**03-07-1998:** The Department explained that shisham wood was never found short rather the same was available at site. The explanation was accepted and **the item was settled.**

**Item No.B-7: Wooden tiles 4042 Nos – Rs.20,210****Item No.B-8: Shisham Plants G-I- 3-18=31.48 CFT – Rs.19,202.80****Item No.B-9: Shisham Plants G-II- 3-15=36.40 CFT – Rs.11,830**

**03-07-1998:** The Department explained that Audit had calculated the value at higher side which was not justified. The entire material was put in open auction after observing all the formalities and with the approval of Competent Authority. The amount recovered after auction was deposited into the Government Treasury. The position also verified by Audit. The PAC accepted the explanation and **settled item Nos. B-7, B-8 and B-9.**

**Item No.B-10-Shisham: Plants G-III.3 14=30.30 CFT – Rs.13,034**

**03-07-1998:** The Department explained that actual value of the wood was Rs.7,717.50 and not Rs.13,040 as calculated by Audit. The loss pertained to a deceased Forester and it would be made good from his pensionary benefits as the same had been shown in the relevant No Demand Certificate. The explanation was accepted and **the item was settled.**

**5. Para 10.5: Page 87 – Loss of Rs.5,700,000 on Account of Damage to Forests**

Audit had observed: “A committee headed by Divisional Forest Officer, Muzaffargarh reported heavy damage of forests in the division. Damage to the extent of Rs.57 lac approximately had not been reported by the concerned staff through damage reports. A team of three conservators headed by

Chief Conservator of Forests, Northern Zone was investigating the matter in this respect. The loss on this account was required to be made good from the persons held responsible as early as possible in addition to appropriate action against them.”

**13-07-1995:** The Administrative Secretary requested for time to make a probe into the matter and also to calculate the value of the trees from damage reports. The Committee directed that a detailed report about total loss, total recoverable amount & amount so far recovered should be submitted to them. The para was kept pending for two months.

**03-07-1998:** The Department explained that four different departmental Committees of officers checked the matter to ascertain the damage of trees. The fourth Committee, headed by Qazi Ishtiaq Ahmad C.C.F. (N.Z.) reported the damage as 4389 trees. The responsible staff was charge sheeted. The total loss was worked out to Rs.1,504,114 instead of Rs.5,700,000 as pointed out by Audit. So far Rs.216,946 had been recovered. Efforts were being made for the balance recovery.

The Public Accounts Committee was not satisfied with progress made by the Department in the matter and observed that 3 years had lapsed as the last meeting of PAC was held on 13-7-95 but the Department has still to comply with the directive of PAC dated 13-7-95. The PAC, therefore, directed that previous directive of PAC may be complied with in letter & spirit within 3 months positively and report may be sent to Assembly Secretariat for information of Public Accounts Committee. The para was kept pending.

**17-06-2002:** 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.

#### **6. Para 10.6: Page 88 – Loss of Rs.81,030 on Account of Forest Offence Committed With the Connivance of the Staff**

Audit had observed: “Forest offence cases involving damage of Rs.81,030 were reported by a Range Officer of Muzaffargarh Forest Division to have been committed with the connivance of forest staff. The relevant forest offence cases were registered during 1990-91 and had been disposed of showing sent to divisional office. Loss on this account was required to be made good from the persons held responsible in addition to appropriate action against them.”

**13-07-1995:** The Department explained that a sum of Rs.4400 had been recovered and the defaulter, Fakhar-ud-Din, FG, had been compulsory retired. The Committee was assured that the balance amount would be recovered from the pension/gratuity of the defaulter. For the sum of Rs.41,070 due from Army due to damage of trees during field exercises, the Department was directed to make another attempt with the GHQ to recover it and to get the non-recoverable amounts written off by the Competent Authority under consultation with the Finance Department. The para was kept pending.

**03-07-1998:** The Department explained that Rs.57,450 would be recovered from the defaulter, Mr. Fakhar-ud-Din F.G(Rtd) as and when his pension case is finalized. For the recovery of Rs.41,070 the GHQ, Rawalpindi had been requested time and again but with no response. However, a case for written off sanction of the loss had been initiated.

The PAC directed that recoverable amount of Rs.57,450 may be made good out of the gratuity of the official concerned and the amount pertaining to GHQ may be got written off by the Competent Authority. The para was kept pending.

**17-06-2002:** 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 3 July 1998 by 30 November 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 10.7: Page 88 – Loss of Rs.538,125 on Account of Shortage of Timber & Firewood**

Audit had observed: “Timber and firewood valuing Rs.162,215 & 375,910 was noticed short in Multan Forest Division. No action had been taken to make good the loss. Responsibility is thus required to be fixed in this respect and loss made good from the persons concerned.”

**13-07-1995:** The Department informed the Committee that out of twenty-five items, twenty had been verified by Audit. The para was settled subject to verification of the remaining recovery by Audit.

**03-07-1998:** The Department explained that 2627 Cft. firewood was carried to Pirowal Sale Depot and its receipts had shown in form No.5 for 10/87. Balance recovery of Rs.3,650 for 679 Cft. firewood had been recovered and adjusted into Government Account. The position had been verified by Audit. Explanation of the Department was accepted and **the para was settled.**

#### **8. Para 10.8: Page 89 – Loss of Rs.449,400 Due to Irregular Non-Competitive Auction of Fishing Lease Without Regard to Government Orders on Fisheries Auction**

Audit had observed: “Under Rule 8-(vii) of revised Delegation of Financial Powers Rule, 1990 (Page-41), the correct auction of fishing lease was required to be made either more than 10% of the last auction or at average bid of the last three years. It was observed that loss to the stated extent was sustained by the Government due to non-observance of the above rules.”

**13-07-1995:** The Committee observed that since interpretation of rules was required, the matter should be referred to the Law Department for clarification in the light of the Fisheries Ordinance 1961 and delegation of financial powers.

The Department was directed to initiate a reference to the Law Department, through the Finance Department, seeking their advice on Audit observation. Para was kept pending.

**03-07-1998:** The Department explained that a reference was made to the Law Department for clarification through the Finance Department for seeking advice. The F.D. had delegated full powers of auction of fishing rights to the D.G. Fisheries vide orders dated: 6.12.97.

The PAC accepted the explanation and **settled the para** on the basis of the orders of the Finance Department. The Committee however, observed that this decision/advice of the Finance Department should not apply on any other such Audit objections raised prior to 6.12.1997.

#### **9. Para 10.9: Page 89 – Recovery Outstanding – Rs.437,759**

Audit had observed: “A sum of Rs.437,759 was recoverable from various persons/parties in Kasur Forest Division on account of sale of forest produce, lease of land/canteen, electricity charges and other misc. charges. No recovery was being effected against the above amounts although some amounts were outstanding since early seventies. Omission is required to be explained and needful done in addition to appropriate action against the persons held responsible.”

**08-11-1995:** The Department explained that an amount of Rs.235,932.53 has been recovered (Rs.47,085 recovered + Rs.17,513 deleted and Rs.17,334 recovered) and verified by Audit. The amount of Rs.148,000 was under litigation in civil suits and therefore, the recovery was not possible.

The Department was directed to pursue the cases of balance recovery vigorously. The para was kept pending for balance recovery.

**03-07-1998:** The Department explained that cases were still under process in the court of Law.

Audit apprised the PAC that Department had intimated the recoverable amount as Rs.92,930 while the same was Rs.192,935. This discrepancy needed to be reconciled.

The PAC kept the para pending and directed the Department to reconcile the figures of recoverable amount with Audit and also to pursue the case in court vigorously for early decision.

**17-06-2002:** 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 3 July 1998 by 30 November 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 10.10: Page 89 – Shortage of Store Articles Worth Rs.289,648**

Audit had observed: “Shortage of store articles/forest produce worth Rs.289,648 was noticed in

Muzaffargarh Forest Division as a result of transfer of charge and physical verifications. No action was taken to make good the loss in this respect. Responsibility was required to be fixed in order to make good the loss from the persons concerned.”

**08-11-1995:** The Department explained that inserviceable articles were auctioned for Rs.1,200 and got verified by Audit. The remaining shortage pertained to timber. The shortage of timber had been worked out as Rs.96,765.50 instead of Rs.2,39,625 as worked out by Audit. Out of Rs.96,765.50 a sum of Rs.10,978 had been recovered and got verified by Audit.

The PAC observed that the Department had reduced the amount by applying the average sale rate instead of compensation rate. Therefore, the Department was directed to work out the consolidated position of timber shortage and the same would be discussed in a joint session of PAC-I and PAC-II, wherein the application of average sale rate and compensation sale rate would be decided. The Department was further directed to pursue the balance recovery vigorously. The para was kept pending.

**03-07-1998:** The Department explained that the amount of Rs.239,625 worked out by Audit for the shortage as 4168.85 cft timber was hypothetical. Actual shortage was of Rs.96,765.50 on the basis of average sale rate. An amount of Rs.67,940 had been recovered leaving a balance of Rs.28,825.

The PAC was not satisfied with the application of average sale rate for the purpose of recovery of loss instead of compensation rate and this para would be decided on the receipt of the report of Sub Committee already constituted on the same day to look into the issue of average sale rate and compensation rate. The para was kept pending.

**15-03-1999:** The Department explained that shortage of timber/firewood had occurred due to wrong measurement, pilferage of timber/firewood, insect attack, decay and shrinkage etc. The calculation of loss rate applied by Audit was not correct as the said rate could only be applied when any forest offence was required to be dealt with under the provisions of Section 33 & 68 of forest Act 1927. Therefore, the conclusion of Audit that shortage was occurred due to theft was not correct. The civil servants responsible for the shortage should therefore, be dealt with under the E & D Rules 1975.

Audit apprised the PAC that the departmental plea that civil servants can only be dealt with under E & D Rules 1975 was not correct. If removal of forest produce and misappropriation of stores was involved then the Forest Act was in its opinion duly applicable along with the E & D rules 1975. The departmental authorities should therefore proceed according to the rule and regulations.

The Sub committee directed the Department that:-

- (i) Relevant Forest Rules may be produced to the Sub Committee in the next meeting.
- (ii) Comprehensive details of theft cases under consideration of PAC-I & II may be brought before the Sub Committee or consideration.

The para was kept pending for consideration in the next meeting

**01-10-1999:** The Department explained that shortage of timber/firewood had occurred due to wrong measurement, pilferage of timber/fire wood. The calculation of loss on average rate was applied on the defaulting Government Servants instead of compensation rate. The Compensation rate could only be applied when any forest offence was required to be dealt with under the provisions of section 33 & 68 of Forest Act. The civil servants could only be punished under E & D Rules, 1975 in the offence of shortage of timber/fire wood. According to the said rules, the Competent Authority could impose recovery of loss as well as award the punishment of dismissal from service.

After considering the explanation of the Department the Sub Committee recommended that loss on account of misappropriation of stores/shortage may be recovered at the sale rate prevailing in the market at the time of recovery.

The Sub Committee also recommended as under:-

(i) Compensation rates should be applied for calculation of loss on account of misappropriation/removal of Forest produce under the Forest Act. Besides disciplinary action should also be taken against the defaulter.

(ii) Last sale rate of Forest Produce at the time of recovery should be applied for recalculation of loss on account of shortage of Forest Produce which had been effected due to termite and long storage and other climatic conditions and any other loss due to negligence of the Forest Officers/Officials. The defaulters should be dealt with under Punjab E&D Rules. However, where there is no negligence of the staff, loss could be got written off from the Competent Authority.

(iii) Allowance for dryage/shrinkage should be given.

(iv) In case of store articles other than the forest produce recovery should be made at the sale rate of the item prevailing in the market at the time of recovery and the defaulters should be dealt with under E&D Rules.

Individual cases may be decided by the Department for presentation before the PAC in the light of above recommendations.

The para was kept pending for further consideration by PAC-I.

**17-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **11. Para 10.11: Page 90 – Non-Disposal of Forest Offence Cases Involving Damage of Rs.227,252**

Audit had observed: “242 forest offence cases involving damage of Rs.227,252, relating to the years 1983-84 to 1990-91 had neither been compounded nor prosecuted in Sahiwal Forest Division. In accordance with the provisions of Section 52 of Forest Act, the forest offence cases were required to be referred to the court as early as possible. Responsibility was also required to be fixed in this respect and loss to Government made good after recovery from the persons concerned which was not done.”

**08-11-1995:** The Department explained that cases involving the recovery of Rs.115,944 were in the court. An amount of Rs.190,000 was balance as recoverable. The recovery was being effected from the defaulters.

The PAC directed that the recovery might be effected @ Rs.1/3<sup>rd</sup> of the pay of defaulters henceforth. Cases in court should be pursued vigorously. The para was kept pending.

**03-07-1998:** The PAC kept this para pending with the remarks that it will be decided after the receipt of report of Sub Committee constituted to look into the issue of average sale rate and compensation rate.

**17-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## **12. Para 10.12: Page 90 – Shortage of Stores Worth Rs.215,190**

Audit had observed: “Timber fire-wood and other stores valuing Rs.215,190 were noticed short in Bahawalpur Forest Division. No action had been taken to make good the loss on this account. Responsibility is required to be fixed in this respect and loss made good from the persons concerned in addition to appropriate action against them.”

**08-11-1995:** The Department explained that in some cases of timber shortage the disciplinary proceedings were under process and not yet finalized. In cases of shortage of firewood the Department explained that the same was sold out. In cases of shortage of seeds and stumps a recovery of Rs.27,633 was effected and verified by Audit.

The PAC directed that disciplinary cases might be finalized at the earliest. The case of shortage of fire wood should be reconciled with Audit and balance recovery should be pursued vigorously. The para was kept pending.

**03-07-1998:** The Department explained that an amount of Rs.106,457 had been recovered from different persons and partially got verified by Audit. Non recoverable cases amounting to Rs.67,777 had been moved to F.D. for write off. The remaining recovery of Rs.40,956 was also under active pursuance for early finalization of the same.

The PAC kept the para pending and directed to make good balance recovery and get it verified by Audit within 3 months and also get the write off cases finalized.

**17-06-2002:** 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 3 July 1998 by 30 November 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 10.13: Page 90 – Loss of Rs.179,147 on Account of Shortage/Wastage of Planting Material**

Audit had observed: “Planting material worth Rs.179,147 was either short or had become unfit for planting during the years 1983 to 1991 in Faisalabad Forest Division. Matter was brought to the notice of Admin. Department but no action was taken.”

**08-11-1995:** The Department explained that the entire loss had been recovered and got verified by Audit. **The para was settled.**

**14. Para 10.14: Page 91 – Loss of Rs.133,581 Due to Non-Disposal of Forest Offence Cases**

Audit had observed: “It was noticed that 237 forest offence cases of Faisalabad Forest Division involving damage of Rs.133,581 relating to the years 1986-87 to 1990-91 had neither been compounded nor prosecuted whereas, in accordance with the provisions of Forest Act, 1927, forest offence cases should be reported to the magistrate as soon as possible.”

**08-11-1995:** The Department explained that out of the total loss a sum of Rs.41,532 had been recovered and got verified by Audit leaving a balance of Rs.92,049 as recoverable.

The PAC directed the Department to pursue the remaining recovery and court cases vigorously. The para was kept pending.

**03-07-1998:** The Department explained that recovery was being effected from different officials from their pay in monthly installments and all out efforts were under way to finalize the same as early as possible.

The PAC kept the para pending for complete recovery and verification of the same by Audit at the earliest.

**17-06-2002:** 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 3 July 1998 by 30 November 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 10.15: Page 91 – Loss of Rs.125,450 due to Fishing Lease at Lower Rates**

Audit had observed: “Vide Serial No.8 of the fisheries wing of the Agriculture Department part-II special powers to certain departments of the Delegation of Powers, 1990, the Director General is competent to approve highest rate of fishing lease subject to the conditions that (i) highest bid is more

than 10% of the last year or (ii) average of last three years bid; which-ever is more. The loss to the stated extent was caused by approving lease at lower rates than the rates of previous year.”

**08-11-1995:** The Department explained that the Director General, Fisheries was empowered to lease out the fishing rights of any water area without observing the condition of 10% increase over previous year’s bid. The short fall in the lease money was due to less flood water and loss/profit of the previous fish contractors.

The PAC was not satisfied and directed that loss might be inquired into to ascertain the factual position of loss and if anybody is found responsible for the loss then recovery might be effected from him. The para was kept pending.

**03-07-1998:** The Department explained that Finance Department had delegated full powers of auction of fishing rights to the D.G. Fisheries. Despite the said delegation of powers the departmental authorities inquired into the matter and found that the Director Fisheries made his best efforts to obtain best bid to auction the fishing lease and in this process complete codal formalities had been followed. So nobody could be held responsible in this regard. The PAC accepted the explanation and **settled the para.**

### Special Directive

The Public Accounts Committee also directed the Department to request the Chief Secretary to issue instructions to all the concerned Deputy Commissioners that cases of recoveries as arrears of land revenue relating to the Forest Department may be finalized at the earliest.

### **16. Para No.10.16: Page 92 – Illegal Cutting of Trees – Loss of Rs.113,700**

Audit had observed: “Cases of loss of Rs.113,700 on account of illicit cutting of trees in Sahiwal Forest Division were got registered with the police during the period from June 1989 to April 1991. The cases were not pursued properly. The matter in this respect was required to be pursued vigorously to make good the loss after recovery from the defaulters.”

It was a composite para and the position was as under:-

#### **F.C.663-1988-89 – Rs.11,100**

**03-07-1998:** The Department explained that case was in the court of Additional District & Session Judge Depalpur. However, Revision petition had been filed by the Department.

The Public Accounts Committee kept the item pending and directed the Department to pursue the case in court vigilantly.

**17-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**F.C. 309-1989-90 – Rs..8500**

**03-07-1998:** The Department explained that the case was under process in the court of Additional District & Session Judge Depalpur. The PAC kept the item pending and directed the Department to pursue the case in the court vigorously.

**17-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**F.C.137-1990-91 – Rs..8,150**

**03-07-1998:** The Department explained that the case had been decided in favour of the Department and the accused had been fined Rs.1000.

The Public Accounts Committee pointed out that against the loss of Rs.8,150 the court had fined Rs.1000 only. Therefore, the Department was directed to move for the write off sanction of the remaining amount of Rs.7,150 and the item was kept pending till the write off sanction.

**17-06-2002:** 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 3 July 1998 by 30 November 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.

**F.C-139-1990-91 – Rs..9,200**

**03-07-1998:** The case was under process in the court and therefore the PAC directed the Department to pursue the case in court and kept the item pending.

**17-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**F.C-236-1990-91 – Rs..54,250**

**03-07-1998:** The case was under process in the court and therefore, the PAC directed the Department to pursue the case in the court for early decision and kept the item pending.

**17-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**F.C-450-1990-91 – Rs..22,500**

**03-07-1998:** The Department explained that the case was submitted to District Attorney to file an appeal in the court for review, but he suggested that it was not a fit case for appeal.

The Public Accounts Committee directed the Department to move a case for the write off sanction of the loss of Rs.22,500 and kept the item pending.

**17-06-2002:** 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 3 July 1998 by 30 November 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 10.17: Page 92 – Wasteful Expenditure of Rs.109,467**

Audit had observed: “An expenditure of Rs.109,467 was incurred in Kasur Forest Division during 1989-90 to 90-91 on account of electricity charges of there tubewells and salary etc. of the tubewell operators, although the tubewells were not used during the entire period. The tubewells should have been disconnected to save electricity charges and tubewell operators should have been posted to lift pump operations within Kasur Forest Division, where new appointments of lift pump operators were made during the period tubewell operators under question remained idle. The total expenditure was, therefore, wasteful. The amount of loss on this account is required to be recovered from persons held responsible and made good to Government.”

**03-07-1998:** The Department explained that tubewells were installed during 1981-82 in Changa Manga Plantation for reclamation of water logging area and remained operative upto 1990-91. After the completion of the scheme the tubewells became inoperative. The tubewell operators, who were appointed against permanent posts, were assigned with the duty of the protection of tubewells. Energy fixed charges were continued to be paid to avoid disconnection/removal of electricity transformer as well as heavy reconnection expenditure. The services of the concerned staff could not be dispensed with as they were appointed against permanent posts. Anyhow, as per advice of Audit the payment of fixed energy charges was discontinued and the services of the staff were being utilized on other tubewells installed in the Division.

The PAC was not satisfied with the explanation as the payment to WAPDA of fixed charges was made upto 1995. If the said payment had been stopped soon after the closure of the tubewells the Department could have saved the wasteful expenditure. However, the Department was directed to produce the relevant record to Audit for verification of facts. The para was kept pending.

**17-06-2002:** Reiterating the decision of the PAC dated 3 July 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **18. Para 10.18: Page 92 – Doubtful Expenditure of Rs.96,272 on Works**

Audit had observed: “An expenditure of Rs.96,272 was charged in Muzaffargarh Forest Division during June 1991 showing payment for works done. Preliminary inquiry conducted through a range officer revealed that no work had actually been done at the site. Thus the said amount of expenditure was doubtful. Loss on this account was required to be made good from the persons held responsible in addition to appropriate action against them.”

**03-07-1998:** The Department explained that an inquiry was conducted and the Chief Secretary imposed the recovery of Rs.48,000 each on M/s Safder Hussain & Mureed Hussain. So far, out of the total recovery of Rs.96,000 an amount of Rs.45,214 had been recovered and verified by Audit. The remaining amount of Rs.50,786 was in the process of recovery and was being recovered in monthly installments from the pay of the defaulters.

The PAC was not satisfied with the decision of mere recovery and observed that lenient view had been taken. The persons involved in such misappropriation of Government money should be dealt with sternly and should have been dismissed from service. The para was kept pending for balance recovery and its verification by Audit.

**17-06-2002:** 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 3 July 1998 by 30 November 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 10.19: Page 93 – Doubtful Expenditure of Rs.93,970 on Daily Labour**

Audit had observed: “An expenditure of Rs.93,970 was charged in the accounts of National Park Lalsohanra, Bahawalpur during 1990-91 as paid to daily labour on account of maintenance of grassy and flower plots whereas 12 Malies were engaged for this purpose and a sum of Rs.179,942 was paid to them on account of their pay for 1990-91. The above expenditure shown paid to daily labour was thus doubtful.”

**03-07-1998:** The Department explained that 13 Posts of Malies were sanctioned for 9 acres children park in Lalsuhnara Phase-II in 1980-81. Now the area under park plots had been increased to 27 acres and 75 acres. The number of wildlife animals had also been increased. The increased park area and animals was requiring about 40 number Malies and Beldars against which only 13 Malies were available. Therefore, to cope with the work 23 workers were employed. The Department itself conducted an inquiry and found that the expenditure incurred by the park administration were quite justified and it did not exceed the financial powers. The PAC accepted the explanation and **settled the para.**

## **20. Para 10.20: Page 93 – Unnecessary Expenditure of Rs.93,940**

Audit had observed: “An expenditure of Rs.93,940 was incurred during 1989-90 to 90-91 in connection with the raising of potted plants required for afforestation and restocking 300 acres area under scheme, development of drinking water and fodder facilities for livestock in Cholistan. No planting was done under the scheme due to non-availability of irrigation water. The factor irrigation water should have fore-thought at the conceiving stage. The expenditure incurred in connection with the raising of plants was, therefore, ill-conceived and wasteful, which needs justification and requires recovery.”

**03-07-1998:** The Department explained that under the scheme “development of drinking water and fodder facilities for livestock in Cholistan”, plantation was to be done on an area of 200 acres. For the purpose 76000 plants were raised. Unfortunately during the years 1990-91 & 1991-92 there was a drought in Cholistan and rainy season passed without rain. The said plantation was to be done during the rainy season and as there was no rain, therefore, no plantation was done. The Department approached the higher authorities for changing the site of plantation but the request was not acceded to. The scheme could not be carried out due to the said climatic factors. It was pointed out that the plants were raised in the schools of Cholistan Colony area free of cost to promote the interest of tree plantation among the students. About 6715 plants were sold to the public at a total cost of Rs.6,715. Therefore, there was no unnecessary expenditure involved. The explanation of the Department was accepted and **the para was settled.**

## **21. Para 10.21: Page 94 – Wasteful Expenditure of Rs.93,415**

Audit had observed: “An amount of Rs.33,415 had been paid to WAPDA on account of electricity charges of four tubewells installed at Chak Jalal Din of Jhang Sub Division, although these were inoperative for the entire period of audit. Four Tubewell operators had been paid their salaries without any service to the Government. Approximately a sum of Rs.60,000 was paid to them during 1990-91. Thus Government had to bear an expenditure of Rs.93,415 in addition to depreciation without any service. Loss on this account was required to be made good from the persons held responsible. In case the tubewells were not likely to be used in near future the same were required to be disposed off or otherwise transferred to the places where required.”

**03-07-1998:** The Department explained that 4 Tubewells were installed in Chak Jalal Din Plantation of Jhang Forest Division for streamlining irrigation to area falling under a Development Scheme. These tubewells were damaged by severe floods and could not be repaired due to non-availability of funds. Tubewell Operators were essential to act as watchmen of these tubewells. As such machinery was saved from deterioration into scraps. Out of 4 tubewells three tubewells were

temporarily disconnected in December, 1993 and electricity bills of these three tubewells were not paid. Moreover, all the employees were permanent incumbents, therefore, their salaries were paid to them. Therefore the entire expenditure was incurred in good faith and in the public interest. The explanation of the Department was accepted and **the para was settled.**

## **22. Para 10.22: Page 94 – Non-Recovery of Advance From the Disburser – Rs.85,757**

Audit had observed: “A sum of Rs.85,757 was outstanding against a disburser of Chakwal Forest Division since April, 1990. Under rule 15 of Punjab Treasury Rules, no money could be withdrawn from Government treasury unless required for immediate disbursement. The amount of forest advance immediately or to be recovered from the disbursee immediately or vouched account of the value obtained. The violation of the rule *ibid* may be got condoned with the sanction of Finance Department.”

**03-07-1998:** The Department explained that the payment of Rs.85,757 relating to works carried out in Choa Saiden Shah Sub Division, was made by Mr. Shafaat Ahmad Khan, Forest Ranger the then SDFO. The officer was proceeded against for incurring the said expenditure and was placed under suspension. The authorized officer, Conservator of Forests, Rawalpindi, recommended that the proceedings against Mr. Shafaat Ahmad Khan may be dropped as the allegation levelled against him did not justify any disciplinary action to be taken against him. Accordingly the accused officer was exonerated by the Chief Conservator, Rawalpindi and the incurring of expenditure of Rs.85,757 had also been accounted for. This position had also been verified by Audit. The Public Accounts Committee accepted the explanation **and settled the para.**

## **23. Para 10.23: Page 95 – Loss of Rs.40,220 Not Made Good From the Contractor Despite Provision in Contract**

Audit had observed: “The contractor failed to complete the awarded work for felling and conversion of Lot No.1/87-88 in Kasur Forest Division within the extended period, placing the Department under liability to incur extra expenditure of Rs.40,220 to complete the work Departmentally. In accordance with the terms of agreement the contractor was obliged to pay incidental extra expenditure for the work completed by the Department. Since the work was not done by the contractor, the recovery required to be effected from him was not made which may be reckoned a clear favour to him at the expense of Government.”

**03-07-1998:** The Department explained that a contract was awarded to carry out main felling and thinning in Changa Manga Plantation. The contractor could not complete the work even within the extended period. He completed main felling over 43 acres and 3rd thinning in 263.28 acres was not carried out by him. A penalty @ Rs.15 per day for the extended period of 136 days was imposed upon the contractor which came to Rs.2,040. Also the 25% of the dues of contractor amounting to Rs.3,008.75 was forfeited. Tenders were invited afresh for the completion of the work but no offer was received. The 3rd thinning operation was not carried out subsequently and as such the

Department did not suffer any loss. The yield obtained from the main felling was 24075 cft against estimated tender of 12120 cft. The actual firewood received was 89180 cft against estimated quantity of 347000 cft. The less quantity was received due to the fact that 3rd thinning was not carried out. Thus there was no loss to Government. The Department also intimated that despite the above facts the matter was being inquired into by the departmental authorities.

The PAC directed the Department to produce the relevant record in support of their explanation to Audit to verify the factual position and the para was kept pending.

**17-06-2002:** Reiterating the decision of the PAC dated 3 July 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**24. Para 10.24: Page 95 – Shortage of Store Articles Valuing Rs.37,325**

Audit had observed: “Store articles valuing Rs.37,325 were shown as short and not available in stock as per remarks in various stock register of Sahiwal Forest Division. Responsibility had not been fixed to make good the loss sustained by the Government.”

**03-07-1998:** The Department explained that after verification of the value of the short articles/ forest produce was fixed at Rs.14,932.50 instead of Rs.23,350 as calculated by Audit. The said amount of Rs.14,932.50 had since been recovered and got verified by Audit. The store articles were also physically checked and found available at site. The articles were inserviceable and therefore, these were sold in open auction for Rs.6,000 which had been verified by Audit. The Public Accounts Committee accepted the explanation **and settled the para.**

**25. Para 10.25: Page 96 – Less/Non Accountal of Planting Material Worth Rs.35,060**

Audit had observed: “Planting material disposed of from stock showing transferred to other ranges in Muzaffargarh Forest Division during 1990-91 was less accounted for by the receiving officers in quantity worth Rs.31,060 while plants worth Rs.4,000 were not brought forward in stock register.”

**03-07-1998:** The Department explained that reconciliation of T. Form-7 in respect of Khanpur and Muzaffargarh Ranges had been made and no difference or shortage of plants and planting material was found. It was explained that 16600 stumps had been utilized and therefore, net shortage of stumps was 3950 for which the cost of Rs.395 had been recovered from the responsible officials. The Public Accounts Committee accepted the explanation **and settled the para.**

**26. Para 10.26: Page 96 – Wasteful Expenditure of Rs.34,280**

Audit had observed: “An expenditure of Rs.34,280 was incurred in Sahiwal Forest Division during July, 1989 to June, 1991 on account of payment of electricity bills of two tubewells which were not used at all during that period. The tubewells were not in working condition and not required for use in the near future. The amount of loss to department on this account was required to be recovered from the negligent defaulter(s) and made good to Government.”

**03-07-1998:** The Department explained that this expenditure pertained to Rakh Jemlere which was situated along Sutlej River where watering to the plantation was being done with tubewells. The area remained under heavy flood in the past due to which four tubewells went out of order. Reboring and heavy repair of motors was involved for the restoration of tubewells. For the purpose funds were demanded under normal budget during 1992-93. Two tubewells were got repaired started functioning while remaining 2 would be repaired after the provision of funds. However, the electricity charges were continued to be paid to avoid disconnection of electricity supply. The explanation of the Department was accepted and **the para was settled.**

**27. Para 10.27: Page 96- Irregular Expenditure of Rs.78,040 + Rs.33,444 = Rs.111,484**

Audit had observed: “An expenditure of Rs.78,040 was incurred by Divisional Forest Officers, Faisalabad Forest Division from August, 1989 to November 1990 in connection with the maintenance of 7 acres area of Forest Point, Gatwala. Since the maintenance of the area and funds for the purpose had been transferred to the Punjab Forestry Research Institute, Faisalabad with effect from 1.7.1989, the above expenditure of Rs.78,040 was irregular. Moreover, the gross area of forest point was 6 acres out of which 4 acres were to be maintained as provided in the administrative approval. Thus proportionate expenditure amounting to Rs.33,444 incurred for the maintenance of 3 acres area was not in order. The same was to be recovered from the persons held responsible in addition to appropriate action against them.”

**03-07-1998:** The Department explained that amount involved was Rs.78,040 and not 1,11,484 as calculated by Audit. Rs.75,520 was for the 4 acres area of forest spot and Rs.2,520 for the 3 acres area of old crop. The said area of 7 acres remained under the administrative control of Faisalabad Forest Division upto 1-12-90. On 1-12-90 the area was transferred to the Punjab Forest Research Institute, Faisalabad. Therefore, the expenditure incurred by the Department on the maintenance of the forest spot area and old crop area was quite regular. After handing over the area of 7 acres to the PFRI Faisalabad on 1-12-90 no expenditure had been incurred by the Department on this account. The explanation was accepted and **the para was settled.**

**28. Para 10.28: Page 97 – Overpayment of Rs.32,125**

Audit had observed: “A sum of Rs.32,125 was charged and paid during 1990-91 in Muzaffargarh Forest Division in excess of the amounts payable according to the approved rates/provisions for the maintenance of scheme areas. Loss on this account was required to be made good to Government after

recovery from the persons held responsible.”

**03-07-1998:** The Department explained that Rs.18,310 had been recovered and adjusted in accounts. Further, at the time of writing the cash book, work done was wrongly booked as 6110 Cft instead of actual quantity of 61100 Cft. Thus actual cost of work done was 8431 and no overpayment was involved. The position had also been verified by Audit. The PAC accepted the explanation and **the para was settled.**

**29. Para 10.29: Page 97 – Shortage of Fish in Transit, Valuing Rs.31,831**

Audit had observed: “During the course of transportation of fish, despatched from different fish farms to Lahore for sale, the shortage of fish to the extent of 1509 KG and 300 GM costing Rs.31,831 took place.

The matter was referred to the Secretary, Government of the Punjab, Wildlife and Fisheries Department, Lahore vide D.O letter No. Audit/Coord.I/LZ/AP/288, dated 30.6.92 but no reply was received.”

**03-07-1998:** The Department explained that fish lost weight during transportation due to continuous release of mucus secretions. Soakage had been calculated by the Director Fisheries (Research & Training) Punjab at a rate of 3% of the body weight of fish. The total quantity despatched from field was 40609 K.G. and total fish received at sale point was 39092 K.G. The total shortage was thus 1517 K.G. out of which 1218 K.G. was pertaining to soakage @ 3%. In this way actual shortage was 299 K.G. (40609 K.G.-39092 K.G.=1517 K.G. and 1517 K.G.-1218 K.G. of soakage =299 K.G.). The cost of 299 K.G. actual short fish was Rs.7,774 @ Rs.26 per K.G. and Rs.7,760 had been recovered. Therefore, no loss was sustained by the Department. The Public Accounts Committee in view of the explanation **settled the para subject to verification of record and recovery by Audit.**

**30. Para 10.30: Page 97 – Damage of Forest Involving Loss of Rs.25,800**

Audit had observed: “Forest offence cases involving damage of Rs.25,800 became time barred due to the negligence of a forester of Chakwal Forest Division. Accordingly penalty of Rs.25,800 was imposed upon the concerned forester vide Office order dated 17th February 1991. The recovery of the penalty was not started by August, 1991 nor was it noted in the register maintained for watching the recoveries. Needful was required to be done and appropriate action taken against persons held responsible.”

**03-07-1998:** The recovery of Rs.25,800 was imposed upon Mr. Tahir Mahmood, Forester. The said recovery had been effected and got verified by Audit. The Public Accounts Committee accepted the explanation and **settled the para.**

### **31. Para 10.31: Page 98 – Shortage of Stores and Forest Offence Cases Worth Rs.25,345**

Audit had observed: “Responsibility for the shortage of stores valuing Rs.13,440 and time barred forest offence cases involving damage of Rs.11,905 had been fixed by the Divisional Forest Officer, Range Management Division Chakwal. The recovery was not being effect from the concerned officials since September, 1987 and 1990 respectively.”

**03-07-1998:** The Department explained that total recovery had since been made good and got verified by Audit. The Public Accounts Committee accepted the explanation and **settled the para.**

## **Commercial Audit**

### **1. Para 3(ix): Page 5 – Non-Compilation of Accounts**

Government Jallo Rosin and Turpentine Factory, Lahore 1988-99 to 1991-92

**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 47: Page 39 – Working Results of Tourism Development Corporation of Punjab Limited for the Year 1991-92**

**26-06-2002:** The Committee **noted** the working results.

### **3. Para 48: Page 40 – Increase in Operating Expenses Causing Loss**

Audit had observed: “The operating loss of the Corporation increased to Rs.22.907 million from Rs.15.438 million in the previous year (48.38% increased) and this was due to 43.37% increase in the operating expenses which rose to Rs.19.221 million from Rs.13.407 million in the previous year. The increase in operating expenses needs to be controlled and justified.”

**26-06-2002:** 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 30 November 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 49: Page 40 – Non-Payment of Loans**

Audit had observed: “(i)The Corporation received four interest-bearing loans amounting to Rs.183.636 million from the Government of Punjab during the years 1986-87 to 1989-90. The Corporation neither paid any installment of loans nor made any provision in the accounts under review for payment of interest accrued on the loans, on the plea that Corporation had made a proposal to the Government of the Punjab for the conversion of these loans into equity or interest-free loans. Pending the acceptance on the proposal by the Government of the Punjab, the action of the management is irregular and needs justification. (ii) These expenses should have been charged to the profit and loss account of the Corporation, but in order to understate losses, the Corporation has been adjusting these expenses against Government loans without any authority. The adjustment, is, therefore, irregular and needs explanation.”

**26-06-2002:**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 30 November 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 50: Page 40 – Non-Inclusion of Assets in Schedule**

Audit had observed: “The Corporation received interest free loans from Punjab Government specifically for purchase of a helicopter and installation of a chair lift system at Patriata Rs.183.861 million and Rs.116.017 million respectively. But both these assets were not included by the Corporation in its schedule of fixed assets on June 30, 1992 on the plea that these assets belonged to the Punjab Government on whose behalf these were acquired by the Corporation. The matter regarding ownership of these costly assets needs to be resolved so as to depict them in the books of the owner properly.”

**26-06-2002:** 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 30 November 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 51: Page 40 – Non-Adjustment of Loans – Loss of Rs.45.717 Million**

Audit had observed: “Had the unauthorized and unapproved adjustments been not made and provision for payment of interest on Government loans of Rs.105.635 million been made, the accumulated loss of the Corporation would have been much more than the accumulated loss of Rs.45.717 million. The Government of Punjab is requested to ask for the management of the Corporation a comprehensive report supported with facts and figures leading to self-sufficiency, otherwise winding up of the Corporation may be considered to save the public exchequer from further losses in future.”

**26-06-2002:** 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 30 November 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 52: Page 40 – Insufficient Security by Corporation**

Audit had observed: “Corporation’s investment of Rs.24.832 million in the Sheraton Tower Project was at risk because the shops, the possession of which was to be taken by the Corporation by the end of December, 1991 had not been constructed even up to the end of May, 1993. The security held by the Corporation was also insufficient. Steps need to be taken to ensure the recovery of investment together with prevailing rate of return.”

**26-06-2002:** 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 30 November 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 53: Page 40 – Increase in Trade Debts**

Audit had observed: “Trade debts, advances deposits and other receivables stood at Rs.19.216 million on June 30, 1992 as against Rs.9.782 million on June 30, 1991 showing an increase of 96.44% over the previous year. Need for early adjustment of advances and recovery of receivables is stressed.”

**26-06-2002:** 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 30 November 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.

# Health Department

## Overview

Total Paras	Civil	Commercial
<b>69</b>	<b>67</b>	<b>2</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  <b>2</b>	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	<b>Commercial:</b> 3(x), 3(xi)	<b>2</b>
<b>Paras Finally Settled</b>  <b>47</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 11.3, 11.4, 11.5, 11.6, 11.10, 11.11, 11.12, 11.20, 11.22, 11.26, 11.27, 11.28, 11.29, 11.30, 11.31, 11.34, 11.36, 11.37, 11.38, 11.39, 11.40, 11.41, 11.42, 11.43, 11.44, 11.46, 11.47, 11.48, 11.49, 11.50, 11.51, 11.52, 11.53, 11.54, 11.55, 11.56, 11.57, 11.58, 11.59, 11.60, 11.62, 11.63, 11.64, 11.65, 11.66, 11.67, (11.61 transferred to Home Department)	<b>47</b>
<b>Paras Conditionally Settled</b>  <b>15</b>	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.	<b>Civil:</b> 11.23, 11.1, 11.9, 11.13, 11.14, 11.17, 11.18, 11.19, 11.21, 11.24, 11.25, 11.32, 11.33, 11.35, 11.45.	<b>15</b>
<b>Paras Pended</b>	Paras pended as the Department had not taken satisfactory action.	<b>Civil:</b> 11.2, 11.15, 11.16, 11.7, 11.8	<b>5</b>

Discussed on 9 October, 4 December 1995, 2 November 1998, 17 and 26 June 2002

## Civil Audit

### 1. Para 11.1: Page 99 – Temporary Loss of Government Money to the Tune of Rs.7,066,328

Audit had observed: “Medicines purchased to the tune of Rs.70,66,328, 5 to 10 years ago & lying in the store unused indicate that the same were purchased without relevance to the annual requirement of the medical institutions. This is a gross violation of Rule No.15.18 of PFR Vol.I. The Depot record revealed that not a single item was issued for the last 10 years. It is evident that said chemicals were purchased in excessive quantity with flagrant disregard to actual requirement i.e. to oblige some persons or firm.”

**09-10-1995:** The Department explained that the material worth Rs.6,870,210 lying unused in the MSD at present, was purchased to prepare medicines in the pharmaceutical factory. The factory had since been closed by the Government. A case to auction the store was under consideration of the Department. Audit reiterated their objection that the store was purchased without demand resulting in heavy loss to the Government. The PAC constituted a Sub committee No. 8 comprising Syed Zafar Ali Shah, MPA and Raja Riaz Ahmed, MPA for detailed examination and on the spot inspection. The PAC directed that meanwhile the material might not be auctioned by the Department. The para was kept pending.

**02-11-1998:** The Department explained that inquiry had been conducted from which it was concluded that:-

- (1) The material lying in MSD should be auctioned immediately.
- (2) The loss occurred due to less charging of prices as well as other loss should be got regularized from the Finance Department.
- (3) The then incharge MSD was held responsible for the loss sustained by the Government. The other staff posted in MSD during that period was also equally responsible

and liable to be proceeded against under the E&D Rules. The Government loss should be recovered from the defaulters. The Department apprised the PAC that disciplinary action against the defaulters had already been initiated.

The PAC directed that raw material may be auctioned. The recovery of loss sustained by the Government in this case may be made good from the defaulters after due process within two months under intimation to PAC. The para was kept pending.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 November 1998 by 30 November 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para 11.2: Page 99 – Non-Receipt of Store Worth Rs.2,784,600**

Audit had observed: “1400 rolls of X-Ray films worth Rs.27,84,600 expired and were sent back for replacement in July 1990 but inspite of lapse of 2 years, fresh X-Ray films from the firm were not received. The record of the office revealed that no concrete efforts were even made to get the replacement or recovery of its cost from the firm.”

**09-10-1995:** Audit informed that despite lapse of 5 years 1400 rolls of expired X-Ray films valuing Rs.2,784,600 had not been got replaced by the supplier M/s Abbas Brothers. The para was referred to the Sub Committee for detailed examination. The para was kept pending.

**02-11-1998:** The Department explained that total replacement was worth Rs.1.26 crore, including the amount of this para, out of which a replacement worth Rs.6,022,026 had been received from the supplier. Later on the supplier filed a civil suit in the court against the orders of replacement.

The PAC directed that material so far got replaced may be got verified by Audit and the case be pursued in the court vigorously for early decision. The para was kept pending.

**17-06-2002:** 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 11.3: Page 100 – Non-Production of Stock Registers Containing the Stock Entries of Surgical Instruments, Medicines & Miscellaneous Stores Valuing Rs.1,757,403**

Audit had observed: “Surgical instruments and other miscellaneous stores valuing Rs.896,902 were received from Medical Stores Depot, Lahore during 1987-88 and local purchase of miscellaneous stores through contractor valuing Rs.860,501 was made but the stock register containing the stock entries of these articles were not produced for verification of accounts.”

**09-10-1995:** The Department explained that requisite record was taken over by the Anticorruption Department in another case and therefore, could not be shown to Audit. Anyhow, the said record had now been obtained and was ready for production to Audit. The para was settled subject to verification of the requisite record by Audit within one month.

**02-11-1998:** The Department explained that the relevant record had been got verified by Audit as directed by the PAC on 9-10-95. The PAC accepted the explanation and **the para was settled.**

**4. Para 11.4: Page 100 – Wasteful/Without Immediate Requirement Expenditure on the Purchase of X-Ray Machinery Worth Rs.1,074,000**

Audit had observed: “Three X-Ray machines costing Rs.1,074,000 were purchased in 1987 but not installed due to non existence of rooms for the same. The machines were found deteriorating in condition and getting obsolescent apart from heavy amount of money having got blocked in the process in contravention of the provision of Rule 15.18 and 15.21 of PFR Vol.I. This also reflects the inadequate planning & forethought on the part of management.”

**09-10-1995:** The Department explained that now the said X-Ray machinery had been installed and working satisfactorily.

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

**5. Para 11.5: Page 101 – Non-Production of Record – Rs.1,050,576**

Audit had observed: “A sum of Rs.1,050,576 was shown spent as pay & allowances of second shift staff during the financial years 1988-89 to 90-91, but no record for second shift was produced. Hence the expenditure incurred for operating the second shift was doubtful.”

**09-10-1995:** The record was verified by Audit and therefore, **the para was settled.**

**6. Para 11.6: Page 101 – Non-Accountal of Store and Stock Articles Worth Rs.890,357**

Audit had observed: “A sum of Rs.890,357 was utilized for purchase of various store and stock articles but their stock entries as required under Rule 15.4(a) of PFR Vol.I were not available in the stock registers. The matter brought to the notice of Administrative Secretary in August, 1991 failed to draw any reply.”

**09-10-1995:** The Department was directed to produce the relevant record to Audit for verification within one month. The para was kept pending.

**02-11-1998:** The Department explained that all the relevant record had been got verified by Audit as directed by the PAC on 9-10-95. The PAC accepted the explanation and **settled the para.**

## **7. Para 11.7: Page 102 – Irregular Printing at Private Press – Rs.560,879**

Audit had observed: “printing work costing Rs.560,879 was got done from private press instead of Government Printing Press splitting the bills in 62 parts, thus violating the Rules 15.2 of P.F.R Vol. I & 15.21(2) (10) of P.F.R. Vol.II as the District Health Officer was competent to accord sanction to expenditure for printing from private press up Rs.10,000 vide S.No.3(b)(xiii) of Delegation of Financial Rules, 1990.”

**09-10-1995:** The Department explained that the expenditure was incurred to meet the emergent requirements. The Department was directed that inquiry might be conducted to probe the matter of printing work got done from a private printing press instead of Government Press and splitting of printing work to bring the same within the competency of D.H.O. Sheikhpura. Responsibility might be fixed and defaulter be proceeded against under the E&D Rules. The para was kept pending.

**02-11-1998:** The Department explained that inquiry was conducted which revealed the following irregularities:-

1. The meeting of the Purchase Committee was not convened for opening the quotations.
2. Limited quotations were called for instead of open tendering through the press.
3. The N.O.C. of the Government Printing Press produced to the inquiry had proved bogus.
4. The printing work was got done from a private press instead of the Government Press by splitting the expenditure in 62 parts to bring the same within competence of the D.H. O. Sheikhpura.
5. The rates and bills of the private press were not got verified by the Superintendent, Government Printing Press, as required under the rules.

In view of the above irregularities the officer had been proceeded against under the E&D Rules and minor penalty was imposed by stopping an increment.

The PAC directed that the Inquiry Officer and the Authorized Officer should attend the next meeting to explain the facts before the PAC as to why a minor penalty was imposed in this case which warranted a major penalty. The PAC also directed that a fresh inquiry may be held under the E&D Rules which may be completed as early as possible and report may be brought before the Committee in the next meeting. The para was kept pending.

**17-06-2002:** 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 11.8: Page 102 – Unauthorised Purchase of Medicines Worth Rs.453,296**

Audit had observed: “Local purchase of certain medicines drugs and other P.V items were banned by the Government of Punjab vide Director General, Health Punjab Circular No.1-40/90/Instt./4919-26, dated 25.8.90 inspite of which purchases worth Rs.453,296 were made which was irregular.”

**09-10-1995:** It was explained by the Department that the purchases amounting to Rs.453,295.60

were consisting of emergency and life saving drugs along with other contingent items for daily use of Health Institutions.

The Public Accounts Committee was not satisfied and observed that the concerned A.D.H.O. exceeded his competency and also did not observe the codal formalities. Therefore, an inquiry might be conducted and responsibility fixed for the irregular purchases and the officer responsible be proceeded against under the E&D Rules. Progress report be submitted within one month. The para was kept pending.

**02-11-1998:** The Department explained that inquiry was conducted which revealed the following irregularities:-

1. Purchases were made during the ban imposed by the Government.
2. The expenditure was wilfully split up to by-pass the sanction of the higher authorities.
3. Quotations were collected personally instead of open tendering through the press and in some cases no quotation was called for.
4. Purchase Committee was not constituted.
5. Record relating to the expenditure was prima facie doubtful.
6. Rates were not checked and compared with market rates.
7. Sanctions were accorded beyond competence.
8. The D.A.O. also shared the irregularity as he accepted the irregular expenditure in Audit.

The disciplinary proceedings had been initiated. The Authorized Officer had exonerated the defaulter. The PAC directed that inquiry officer and Authorized Officer should attend the next meeting to apprise the PAC that despite the proved allegations, why the defaulter was exonerated. The PAC also directed that the D.A.O. concerned may also be proceeded against for sharing the irregularity at pre-audit counter. The para was kept pending.

**17-06-2002:** 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.

**9. Para 11.9: Page 103 – Non-Deposit of Purchee Fee and Other Hospital Receipts – Rs.350,389**

Audit had observed: “Purchase fee and similar other hospital receipts to the stated extent were either less deposited or not deposited at all & accounted for in the relevant books, which is in contravention of Rule 7(1) of Punjab Sub Treasury Rules.”

**09-10-1995:** The Department explained that purchase fee had since been deposited into Government Treasury and could be verified by Audit.

The para was kept pending for verification of relevant record by Audit along with disciplinary action against defaulter official and concerned D.D.O.

**02-11-1998:** The Department explained that the matter was probed into and found that actual recoverable amount was Rs. 238,486 instead of Rs.350,389 as mentioned by Audit. All the recoverable amount had since been made good and deposited with the Government.

The PAC directed that record pertaining to recovery and reduction in amount may be got verified by Audit. The para was kept pending.

**17-06-2002:** Reiterating the decision of the PAC dated 2 November 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**10. Para 11.10: Page 103 – Expired 468 Dry Skimmed Milk Bags Valuing Rs.339,300 Recovery Thereof**

Audit had observed: “Out of 2571 dry skimmed milk bags which were in stock on 22.12.89 at page 157 of the stock register, a number of 468 bags were shown unfit for human consumption without observing the codal provisions as required vide Rule 15.20 of the PFR Vol.I. Audit suspected that these 468 dry skimmed milk bags were replaced with unfit bags. Ultimately these bags were destroyed on 5.8.1990 by the District Health Officer and other officials without obtaining permission from the Project Director, Government of Pakistan, Ministry of Health and Social Welfare, Islamabad through the Director General Health Services, Punjab, Lahore.

**09-10-1995:** The write off sanction of the loss was shown to Audit and **the para was settled.**

**11. Para 11.11: Page 104 – Irregular and Wasteful Expenditure of Rs.322,362**

Audit had observed: “Two Dhobies were appointed with effect from 27.5.89 and 9.6.89 and Rs.72,690 were paid to them on account of pay and allowances upto 30.6.91. Parallel to their engaging on the washing work Rs.95,682 were paid for the washing of the hospital clothes. It was stated by the Hospital authorities that due to non existence of “Dhobi-Ghat” the washing work was being got done from the contractor. Thus in the absence of any “Dhobi-Ghat” the appointment of Dhobies was strictly irregular & expenditure on the pays and allowances was wasted. Similarly Rs.153,990 paid to five persons appointed as telephone operators, 3 cooks and one Mashki were wasted since there was no telephone exchange and kitchen respectively in the hospital. In reply to audit it was stated that the appointments were made on the directions of Chief Minister, whereas no such directive was shown to audit. In the opinion of audit the expenditure of Rs.322,362 thus incurred was irregular and wasteful, which may be got regularized from the Finance Department.”

**09-10-1995:** The explanation of the Department was accepted and **the para was settled**. The PAC directed that these officials be absorbed against other posts. The posts as such which are not required now, may be abolished.

## **12. Para 11.12: Page 104 – Non-Accountal of Store Worth Rs.314,630**

Audit had observed: “Medicines worth Rs.314,630 supplied by Medical Stores Depot were not found entered in the relevant stock register.”

**09-10-1995:** The Department explained that delivery of the medicines was late and due to said late delivery the accountal of the medicines was not made. Later on the requisite accountal was made and could be verified by Audit.

The para was kept pending for detailed scrutiny of Invoices, Central Stock Register, Requisitions of the wards, and wards’ stock registers.

**02-11-1998:** The Department explained that all the store had been properly accounted for and accountal had been verified by Audit. The PAC accepted the explanation and **settled the para**.

## **13. Para 11.13: Page 105 – Irregular Purchase of Medicines for Rs.304,241**

Audit had observed: “The amount was spent on the purchase of medicines beyond financial as well as administrative competency of the District Health Officer. The purchases thus made in violation of Rule 15.2 (d) of P.F.R Vol. I & Delegation of Financial Powers Rules, 1990 (Special Powers to Health Department) were required to be got regularized with the sanction of Finance Department.”

**09-10-1995:** The Department explained that out of the total amount a sum of Rs.103,310 was incurred on purchase of Tibb/Homeo medicines. The remaining amount was utilized for local purchase of medicines and purchase from M.S.D.

The PAC was not satisfied and expressed that it seemed that purchases were made without budgetary allocations which was quite irregular and required Departmental proceedings. The Departmental authorities should also see whether the purchases were actually made or it was a fictitious transaction. Stock register and other relevant record might be got verified by Audit. The para was kept pending.

**02-11-1998:** The Department explained that preliminary inquiry was conducted and it was concluded that the purchases were made strictly according to the budget allocation and by observing rules and regulations, which can be checked by Audit.

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

**17-06-2002:** Reiterating the decision of the PAC dated 2 November 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **14. Para 11.14: Page 105 – Overpayment of Rs.303,830 on Account of Purchase of Medicines at Higher Rates**

Audit had observed: “The medicines were purchased during March 1988 to September 1989 from local market at rates higher than the prevalent market rates and also the rate fixed by Medical Store Depot, without calling for open tenders/quotations and thus excess payment to the stated extent was made.”

**09-10-1995:** The Department explained that matter was under inquiry and therefore, the Public Accounts committee directed the Department to complete the inquiry within 2 months and fix responsibility for the overpayment of Rs.303,830. The para was kept pending.

**02-11-1998:** The Department explained that inquiry was conducted which revealed the following irregularities:-

- (i) Tenders were not floated in the press for purpose of fair competition.
- (ii) The expenditure was split up.
- (iii) N.A.C. was not obtained from the purchase cell.
- (iv) Funds were raised by reappropriation of budget allocation.
- (v) No proper tender enquiry was carried out and orders were placed to some specific firms for supply at hospital rates.
- (vi) Major amount was spent on the purchase of Diazepam Tablets, B-Complex Injections.

So the purchase was full of irregularities. Anyhow, a minor penalty had been imposed upon the defaulter.

The PAC kept the para pending and directed that total loss may be made good from the defaulters along with disciplinary action under the E&D Rules. The D.A.O. concerned may also be proceeded against for similar action as he failed to watch the Government interest at pre-audit counter.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 November 1998 by 30 November 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 11.15: Page 106 – Non-Production of Record Valuing Rs.285,750**

Audit had observed: “Accessories & disposables worth Rs.285,750 (as detailed below) purchased

through purchase cell were received in the hospital on 29.6.91 and shown issued to the Unit-II of the hospital..... The consumption account of the above articles when demanded for scrutiny was not provided to audit.”

**09-10-1995:** It was explained by the Department that relevant equipments and apparatus were issued to Dr. Shoaib, Senior Registrar Gyne-II who was on leave since 1/93 and did not turn back to join his duty.

The Public Accounts Committee directed the Department, concerned supervisory officer might be proceeded against as he did not bother to get the full account of his charge and relieved him to proceed on long leave. Disciplinary action might also be taken against said Dr. Shoaib as well as recovery of the missing stock. The action should be completed within 3 months. The para was kept pending.

**02-11-1998:** The Department explained that inquiry was conducted which revealed that expense so maintained was bogus and entries were made after the Audit Inspection. Anyhow, the inquiry officer recommended to exonerate the defaulter.

The PAC directed that the inquiry officer and the Authorized Officer should attend the next meeting to explain as why the exoneration of the defaulter had been recommended on face of proved charges. The PAC also directed that fresh inquiry be initiated against the defaulter by an honest and competent officer and it may be completed within three months. The para was kept pending.

**17-06-2002:** 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.

## **16. Para 11.16: Page 106 – Irregular Expenditure on Printing at Private Press Rs.285,510**

Audit had observed: “Expenditure on printing at private press worth Rs.285,510 was incurred in violation of Rule No.3(b) (XIII) of Delegation of Financial Rules, 1990. The Medical Superintendent being an officer in category-II was competent to sanction expenditure up to Rs.10,000 on printing at private press without obtaining NOC from Government Press.”

**09-10-1995:** An expenditure of Rs.285,510 was incurred on printing work got done by a private printing press without obtaining N.O.C from the Government Printing Press and to bring the expenditure within competency splitting of work was exercised.

The Department explained that printing work of different type was get done after obtaining N. O.C. from the Government Printing Press, Lahore.

The PAC was not satisfied and expressed that even if the N.O.C. was obtained the work should had been got done through fair competition by floating tenders in the news papers. Therefore, the Department should take action against the defaulter and expenditure might be got regularized from the Finance Department. Income tax of Rs.4,603 also be recovered from the printing firms which was not deducted at source while making payment. The para was kept pending.

**02-11-1998:** The Department explained that inquiry was conducted which transpired that:-

1. Expenditure of Rs. 102,350 was incurred during 1989-90 in anticipation of budget provision in the financial year 1990-91.
2. N.O.C. for the year 1990-91 was not obtained at the appropriate time from Government Printing Press.
3. Annual indent was not submitted to Government Printing Press.
4. Tenders were not advertised in the Press.

The inquiry report had been submitted to the Authorized Officer and recommendations were awaited.

The PAC directed that inquiry process may be completed by fixing responsibility within three months positively under intimation to PAC. The PAC also directed that all such other inquiries may be completed within three months positively and compliance report be sent to Public Accounts Committee. The para was kept pending.

**17-06-2002:** 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.

**17. Para 11.17: Page 107 – Irregular Payment of House Rent Allowance to the Staff (Provided With Government Accommodations) Amounting to Rs.277,325**

Audit had observed: “The para-medical staff posted at rural health centres/basic health units were allowed to draw house rent allowance despite availing rent free Government accommodations during the period July 1987 to June 1990.”

**09-10-1995:** The Department explained that actual recovery was worked out as Rs.69,346 and not Rs.277,325 as printed out by Audit. Recovery of irregularity paid House Rent Allowance had been started from the concerned officials.

The Public Accounts Committee observed that relevant record supporting their contention might be shown to Audit for scrutiny. The concerned D.D.O. might also be proceeded against who allowed the irregular payment. The para was kept pending.

**02-11-1998:** The Department explained that total recovery had been effected. The PAC directed that the relevant record in support of the recovery effected may be produced to Audit for verification. The para was kept pending.

**17-06-2002:** Reiterating the decision of the PAC dated 2 November 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 30 November 2002. Finance Department shall monitor the

implementation of the directive of the PAC.

**18. Para 11.18: Page 107 – Wasteful Expenditure on Hiring of Building – Recovery of Rs.240,000**

Audit had observed: “The Department hired the building @ Rs.30,000 p.m. with effect from 1.8.91 for storage of such articles which were purchased 3 to 4 years ago without any demand from the hospital or dispensary side. The items have not been taken into use since purchase & are stored. It will be appreciated that over the years stored articles were losing in condition worth an amount of Rs.240,000 was blocked in addition to further deterioration and lessening of value.”

**09-10-1995:** It was explained by the Department that the building was hired to stock the valuable electro medical equipments and medicines as there was acute shortage of covered space in the Depot.

Audit apprised the Public Accounts Committee that said equipments and medicines were purchased without any demand and no item had been used since their purchase. Therefore, the rent paid amounting to Rs.24,000 was quite infructuous.

The Public Accounts Committee observed that payment of rent worth Rs.24,000 and purchase of unnecessary equipment & medicines was quite irregular/infructuous which caused a great loss to Government. The Administrative Secretary should probe the matter to ascertain the firms from whom the said equipment/medicines were purchased and of what value. Total cost of the equipments & medicines should also be ascertained. Report in this regard should be submitted to the Public Accounts Committee within 3 months. The para was kept pending.

**02-11-1998:** The Department explained that inquiry had been conducted which revealed that unnecessary articles were purchased and a building was hired @ Rs.30,000 P.M. to store these articles. The case of unnecessary purchase of articles was under consideration of purchase cell for disciplinary action. The G.M. Medical Store Depot could not bring forward satisfactory reasons for purchase of articles and hiring of godown. Anyhow, the basic irregularity was unnecessary purchase in violation of rules while the articles so purchased were not used. The inquiry officer recommended to refer the case to the Administrative Wing for disciplinary proceedings.

The PAC kept the para pending for fixing the responsibility and recovery of loss from the defaulter within three months.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 November 1998 by 30 November 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 11.19: Page 108 – Non-Accountal of Medicines of Rs.237,980**

Audit had observed: “Medicines of the stated value were purchased locally by the A.D.H.O. beyond his competency and were not account for in the relevant stock register although it was

required under Rule 15.4 of PFR Vol.1. Actual payment receipts and distribution of medicines were also not shown at the time of audit.”

**09-10-1995:** The para was kept pending for verification of record by Audit within one month.

**02-11-1998:** The Department explained that inquiry was conducted and it was found that medicines purchased by the ADHO, D.G. Khan were beyond his competence. Neither the demand was advertised in the press nor sanction of the higher authorities was obtained. At the time of Audit the record was not shown to audit and later on fabricated record was produced to Audit which was not accepted by Audit. The case had been submitted to the Chief Minister for approval of recovery from the defaulter. The D.A.O. also shared the irregularity who accepted the irregular expenditure in pre-audit.

The PAC kept the para pending for fixing the responsibility and recovery from the defaulter along with disciplinary action. The PAC directed to complete all the process within three months.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 November 1998 by 30 November 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.

## **20. Para 11.20: Page 108 – Non-Recovery of Lease/Contract Money for Rs.214,750**

Audit had observed: “Lease money on agriculture land auctioned on 30.6.91 for Rs.5,700 contract of cycle stand finalized on 18.6.91 for Rs.89,000 and the contract of canteen approved for Rs.120,050 were required to be deposited immediately after their approval. No money has been deposited according to their terms and conditions.”

**09-10-1995:** The Department explained that the actual recovery of Rs.176,300 had been made. **The para was settled.**

## **21. Para 11.21: Page 109 – Irregular Payment of House Rent Allowance to Medical Officers – Rs.200,669**

Audit had observed: “Rent free Government accommodation was provided to all the medical officers posted at rural health centres and basic health units, but they were allowed to draw house rent allowance also, not admissible under the rules.”

**09-10-1995:** The Public Accounts Committee directed that the amount be reconciled and recovered. The para was kept pending for recovery.

**02-11-1998:** The Department explained that actual amount recoverable was Rs.159,369 and efforts were being made to effect the recovery.

The PAC directed that amount of recovery may be reconciled and recovery may be effected within three months. The para was kept pending.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 November 1998 by 30 November 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 11.22: Page 109 – Loss Through Incorrect Accountal of Coopex Oil Valuing Rs.192,629**

Audit had observed: “The coopex oil of the stated value was issued into liters and shown in the relevant record into tins of 3.8 liters. The matter was reported to the department in November, 1991 but no reply was received.”

**09-10-1995:** The explanation of the Department was accepted and **the para was settled.**

**23. Para 11.23: Page 110 – Irregular Payment of House Rent Allowance Amounting to Rs.179,080**

Audit had observed: “Medical Officers and other staff were provided Government accommodation working in Basic Health Units but they were paid house rent allowance amounting to Rs.179,080 during the period from July, 1990 to June, 1991 which was inadmissible in accordance with the rules circulated vide Finance Department Government of the Punjab letter No.FD/PR-21-1-90, dated 13.2.90.”

**09-10-1995:** The Department explained that actual amount involved was Rs.138,000 and not Rs.179,000.

The Public Accounts Committee directed that figures of outstanding amount might be reconciled with Audit and recovery of the same also be completed at the earliest. The para was kept pending.

**02-11-1998:** The Department explained that total recovery had been effected and deposited with the Government. **The PAC settled the para subject to verification of relevant record by Audit.**

**24. Para 11.24: Page 110 – Irregular Local Purchase of Stationery – Rs.163,361**

Audit had observed: “Stationery costing Rs.163,361 was locally purchased by splitting up the sanction thereby violating the Rule 15.2 © of PFR Vol.I. The District Health Officer was competent to accord sanction of the expenditure on local purchase of stationary upto Rs.5,000 under Rule 3(b) (1) of Delegation of Financial Rules, 1990. Moreover no annual indent for supply of stationary & forms was sent to the manager, Stationery and Forms as required under Rule 5.1 & 5.2 of Punjab Stationery manual read with para 7 of Finance Department letter No.FD/Accts./A&A/1-4/70, dated

2.2.71. The non-availability certificate was not obtained from the provincial stationery Department.”

**09-10-1995:** The Department explained that purchases were made to meet immediate demands after obtaining the necessary N.O.C.

The Public Accounts Committee was not satisfied with the explanation and observed that the expenditure had been made by splitting the amount to avoid sanction of the higher authority and also without observing the prescribed procedure. The Department should conduct an inquiry in the matter to fix responsibility for the irregular purchase of stationery and impose recovery upon him. The para was kept pending.

**02-11-1998:** The Department explained that inquiry was conducted and it was concluded that NAC from the Government Printing Press was not obtained. Expenditure was split up to avoid the sanction of higher authorities. The annual indent of stationery was not submitted to Government Printing Press. Purchase Committee was not constituted as required under the rules. Income Tax was not deducted at source from the supplier. The case was proceeded under the E&D Rules due to the said irregularities and sent to the Competent Authority with the recommendations of the Authorized Officer.

The PAC directed to effect recovery of loss from the defaulter along with disciplinary action. The para was kept pending.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall implement the directive of the PAC dated 2 November 1998 by 30 November 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 11.25: Page 111 – Loss Due to Non-Receipt of Hospital Discount – Rs.160,373**

Audit had observed: “The medicines worth Rs.3,375,929 were purchased without calling for tenders with the result that the firms did not offer hospital discount which they offered in other sister offices of the city. As such the Govt. was put to loss to the stated extent.”

**09-10-1995:** The Public Accounts Committee observed that open competition was not observed due to which expected discount was not received and a loss was sustained by the Government. Inquiry might be conducted to fix responsibility for the loss. The loss might be made good from the defaulter. The action should be completed within three months. The para was kept pending.

**02-11-1998:** The Department explained that inquiry was conducted and it was found that certain procedural irregularities were committed while making the purchase. The concerned D.A.O. also shared the irregularity for making the irregular payments in pre-audit. The case had been referred to the Administration Wing for arranging the recovery as arrears of land revenue from the D.D.O. concerned who had since retired and to initiate disciplinary action against others equally responsible for irregular purchase.

The PAC directed that recovery may be made good through arrears of land revenue and disciplinary action may be taken against all the defaulters. The para was kept pending.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 November 1998 by 30 November 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 11.26: Page 111 – Irregular Purchase to the Tune of Rs.149,850**

Audit had observed: “One Electric Hydrate Dental Chair Primary PZT with accessories was purchased at the above cost. The item of stock purchased was a non PVC item & its purchase was restricted under FD’s letter No.FD (FR) VI-7/88, dated 13.12.89. The purchase being irregular may please be got regularized from the Finance Department, Punjab, Lahore.”

**09-10-1995:** The Department stated that the case regarding purchase of Electric Hydraulic Dental chair had been sent for regularization by the Competent Authority.

The para was kept pending for the said regularization by the Competent Authority.

**02-11-1998:** The Department explained that the Finance Department had since regularized the expenditure of Rs.149,850. The PAC accepted the explanation and **the para was settled.**

**27. Para 11.27: Page 112 – Non/Less Deposit of Government Receipts – Rs.136,103**

Audit had observed: “Under Rule 2.2 of PFR Vol.I all the Government receipts are required to be deposited into Government treasury promptly. The above stated amount was received by various officials on account of purchase fee, laboratory fee, X-ray fee, ambulance charges, dental fee and auction money of cycle stand, but was either not deposited into Government treasury or less deposited and thus stood unaccounted for.”

**09-10-1995:** The Department explained that actual amount involved was Rs.58,602 and not Rs.136,103 as worked out by Audit. The entire amount of Rs.58,602 had been recovered and deposited into treasury.

The Public Accounts Committee directed the Department to reconcile the figures with Audit and got verified the relevant record by Audit. The para was kept pending.

**02-11-1998:** The Department explained that all the recoverable amount had since been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**28. Para 11.28: Page 112 – Recovery of House Rent From the Specialists Doctors and Other Officials Residing in the Premises of Hospital Amounting to Rs.124,532 Not Effected**

Audit had observed: “(a) According to serial No.8-A of appendix No.6 of Civil Service Rules, Punjab Vol.I Part-II read with letter No.SO (H&D)8-6/69, dated 13.11.1972, the specialists are not eligible to rent free officials residences. They were, however, availing themselves of this facility (free) irregularly. The Additional Medical Superintendent and Deputy Medical Superintendent of the hospital were also residing in the official accommodation. Orders of the competent authority in this regard were not shown to audit. Recovery of house rent @ 5% to the tune of Rs.114,881 was therefore, required to be made from them and refunded to the Government.

(b) Clerical staff was also residing (free) in the official residences meant for technical staff in contravention of the orders of the Director Health Services, Punjab, Lahore conveyed vide his office No.V-3/1-G/7420-21/g, dated 24th April, 1970. According to the above orders head clerks were not entitled to reside in the official residences without the payment of rent. A sum of Rs.9,651/16 was found recoverable from them, which was required to be made good from them and deposited into the treasury. In case some other officials were also irregularly residing in the hospital premises, recovery of rent is also required to be effected and deposited into the treasury.”

**04-12-1995:** The para was kept pending for verification of the amount recovered and recovery of the balance.

**02-11-1998:** The Department explained that all the recoverable amount had since been recovered and verified by Audit. The PAC accepted the explanation and **settled the para.**

### **29. Para 11.29: Page 113 – Non-Recovery of Rs.112,589 on Account of Income Tax**

Audit had observed: “The deduction of income tax at source was not made from the firms whose supplies exceeded Rs.50,000 during the year 1990-91.”

**04-12-1995:** The para was settled subject to verification of record to prove Departmental contention.

**02-11-1998:** The Department explained that recoverable Income Tax had since been recovered and verified by Audit. The PAC accepted the explanation and **settled the para.**

### **30. Para 11.30: Page 114 – Non-Accountal and Non-Deposit of Rent of Shops Amounting to Rs.111,392**

Audit had observed: “Two shops were found adjacent to the main gate of the hospital. On enquiry it was observed that the monthly rent of these shops realized from the tenants was neither accounted for in the office cash book nor deposited into the treasury. The orders of the competent authority under which the shops were given on rent were also not made available to audit. The necessary agreement deeds were also not produced to audit for scrutiny.”

**04-12-1995:** The Department explained that from October, 1990 the rent was being deposited in Government Treasury. The PAC recommended that the previous arrear may be regularized as the amount had been spent on patients' welfare.

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

**02-11-1998:** The Department explained that the case was referred to the Finance Department for write off sanction as the concerned office has no balance amount for deposit into Government Treasury as the same had been spent on patients' welfare but the Finance Department had refused.

The PAC considered and **settled the para** as the amount had been spent on patients' welfare.

### **31. Para 11.31: Page 114 – Irregular Payment of House Rent Allowance to Paramedical Staff Provided Rent Free Accommodation – Rs.108,036**

Audit had observed: "House rent allowance amounting to Rs.108,036 was paid to paramedical staff provided rent free accommodation at the centres, which was irregular. The matter was reported to the department concerned in October, 1991 but no reply was given."

**04-12-1995:** The Committee was informed that recovery of the full amount, pertaining to payment of house rent allowance to paramedical staff, had been effected and verified by Audit. **The para was settled.**

### **32. Para 11.32: Page 115 – Wastage of 3596 K.G. Dry Skimmed Milk Valuing Rs.107,880**

Audit had observed: "3596 Kg dry skimmed milk was wasted while lying in the store of rural health centre, Chung due to the negligence of the officers/staff which was violation of Rule 15.20 of PFR Vol. I. The cost of the above quantity of milk at average rate of Rs.30/- per KG works out to Rs.107,880. The wastage was found to have been certified under the attestation of District Health Officer, Lahore."

**04-12-1995:** The Department explained that write off sanction of the amount had already been obtained from the Federal Government and two officials, namely, Abdul Rehman and Mohammad Rafiq, Store Keepers, had been warned.

The Committee did not feel satisfied neither with the explanation nor with the action taken by the Department. In their opinion, it was a burning question as to why a huge quantity of dry milk, meant for the poor children, was dumped in the store and allowed to go waste. After all, there must had been some officer responsible for its storage and non-distribution.

The Committee directed that the Administrative Secretary should reexamine the case, pin point the officer responsible for this negligence, and take disciplinary action against him within two months.

Para was kept pending for said inquiry by the Administrative Secretary and disciplinary action against the defaulting officer.

**02-11-1998:** The Department explained that inquiry was conducted and it was found that loss had occurred due to negligence of the officers/officials concerned as they failed to discharge their duties properly which ultimately resulted in loss to Government. Therefore, the matter required proportionate recovery from the defaulters. The case had been submitted to the Chief Minister for approval of recovery.

The PAC directed that loss may be recovered from the defaulters along with disciplinary action against them within six months. The para was kept pending.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 November 1998 by 30 November 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **33. Para 11.33: Page 115 – Non-Recovery/Adjustment of Advance Drawal of Government Money – Rs.100,000**

Audit had observed: “An amount of Rs.100,000 was drawn as advance payment vide cheque No. B-781156 dated 3.4.91 on account of medical treatment of wife of an official. Neither the case was referred through medical board nor the adjustment account (fully vouched of advance payment ) rendered by the said official.”

**04-12-1995:** The Department explained that Mr. Noor, Junior Clerk, obtained the sum of Rs.100,000 for medical treatment of his wife on the basis of special sanction by the Governor of the Punjab but he did not submit any adjustment account as he had absconded in 1992. He had been suspended and inquiry under the E&D Rules was under progress.

The Committee observed that the defaulter should have been proceeded against under the E&D Rules. The para was kept pending for disciplinary action and recovery as arrears of land revenue.

**02-11-1998:** The Department explained that services of the accused official had been terminated in consequence of the proceedings under the E&D Rules. The D.C. Lahore had been requested to effect recovery as arrears of land revenue. Also the case had been referred to the Anti Corruption Department for further proceedings. The PAC kept the para pending for recovery as arrears of land revenue.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 November 1998 by 30 November 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 11.34: Page 116 – Shortage of Instruments & Store Articles Worth Rs.94,140**

Audit had observed: “Stock articles/instruments of the stated value were found short by i) their non accountal in the expense books, ii) working out wrong balances and iii) not carrying forward the previous balances.”

**04-12-1995:** The Department explained that material worth Rs.70,504 was available with them and that recovery of Rs.23,636 was under process.

The Committee directed that the Director General, himself should conduct spot verification about the availability of stock items worth Rs.70,504 and complete the recovery within two months.

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

**02-11-1998:** The Department explained that the Director General, Health Services had conducted on the spot verification and confirmed the physical availability of stores worth Rs. 70,504. A sum of Rs.23,686 had duly been received and deposited into the Government Treasury. The PAC accepted the explanation and **settled the para.**

### **35. Para 11.35: Page 116 – Non-Deposit of Government Money Collected on Account of Purchee Fee – Rs.79,333**

Audit had observed: “The rural health centres, basic health units, hospitals dispensaries and M.C. H. centres under the control of the District Health Officer were required to remit amount of Rs.79,333 under Rule 2.7 of the PFR Vol.I to the nearest Government servant having cash book or direct to the treasury which was not done.”

**04-12-1995:** The Committee was informed that an amount of Rs.79,333, on account of “purchee fee” received from the patients, had not been deposited in the Government Treasury. The Department explained that as the relevant record was not available, despite best efforts, the same could not be traced out. The Cashier/Accountant of the Hospital were held responsible for loss of record. The Administrative Secretary agreed that the defaulter had committed a serious irregularity and should have been suspended.

The PAC observed that there were standing orders that officials dealing with the purchee fee should produce a clearance certificate for the deposit of purchee fee into Government Treasury before they get their monthly salary. Despite these orders why the D.D.O. concerned made the payment of defaulters’ monthly salary. The Department was directed to suspend the defaulters forthwith and Director General, Health Services should conduct an inquiry to ascertain the factual position and to fix responsibility finally. This action should be completed within two months. The para was kept pending.

**02-11-1998:** The Department explained that the then Accountant was suspended. However, the official proceeded on premature retirement and managed to get his retiring dues through the Wafaqi

Mohtesib. The then cashier was also suspended. The then D.D.O. Dr. Saeed Ahmad had since been retired.

The Audit apprised the PAC that recovery of Rs.7,574 had been verified by Audit. The PAC directed the Department to effect the balance recovery within a month and get the same verified by Audit. The para was kept pending.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 November 1998 by 30 November 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 11.36: Page 117 – Loss of Government Revenue/Non-Recovery of House Rent Worth Rs.72,064**

Audit had observed: “Residential accommodation attached with the office of Chemical Examiner for grade 18 officers was found allotted to various officers from time to time and the recovery of the house rent due was either not made at source or less amount charged than due from the occupant causing loss to Government exchequer to the stated extent.”

**04-12-1995:** The Department explained that the premises was not earmarked for the Chemical Examiner and it also remained vacant as it was inhabitable for want of electricity and sui gas etc. The explanation of the Department was accepted and **the para was settled.**

**37. Para 11.37: Page 117 – Non-Accountal of Medicines Valuing Rs.66,403**

Audit had observed: “Loss of medicines of the stated value was noted in various wards either by non-accountal, by working out wrong balances or by not carrying forward of the previous balances.”

**04-12-1995:** The Department explained that recovery of Rs.20,565 had been effected and the accountal of stores worth Rs.23,087 was available. The balance of Rs.22,751 was yet to be recovered for which vigorous efforts were being made.

The Committee observed the accountal of consumable items was not acceptable and therefore, directed that amount pertaining to consumable items should also be inquired into to fix responsibility in this regard and amount involved be recovered along with the balance amount within two months. The Para was kept pending.

**02-11-1998:** The Department explained that a sum of Rs.62,888 had been recovered and verified by Audit. Stock entries for the amount of Rs. 3,515 had also been shown to Audit. The PAC accepted the explanation and **settled the para.**

**38. Para 11.38: Page 118 – Non-Deposit of Purchee Fee Amounting to Rs.60,986**

Audit had observed: “Purchee Fee realized from the out/in door patients of the various rural health centres/basic health units were neither credited into Government treasury nor shown as balance in cash book/sub cash book of said centres. The Government exchequer has been put to a loss of Rs.60,986.”

**04-12-1995:** The Department explained that Audit had miscalculated the amount of “purchee fee” as Rs.60,986 whereas the actual total came to Rs.42,205. It was further explained that recovery of Rs.43,108 had been made which indicated that a sum of about Rs.1000 in excess of the actual recovery had been recovered. The Committee directed that the Administrative Secretary should ensure that, in future, amount of “purchee fee” would be deposited in Government Treasury in time failing which severe action would be taken against the defaulters.

The explanation of the Department was accepted and the para was settled subject to verification of record pertaining to deduction of amount from Rs.60,986 to 42,205 and recovery of the same by Audit.

**02-11-1998:** The Department explained that actual recoverable amount was Rs.37,642 instead of Rs.60,986. The said amount of Rs.37,642 had been recovered and verified by Audit. Responsible official had been censured with entry in his Service Book. The PAC accepted the explanation and **settled the para.**

### **39. Para 11.39: Page 118 – Non-Recovery of Overpayment of Pay/Index Pay Amounting to Rs.60,820**

Audit had observed: “Recovery of overpayment of pay and indexed pay of Rs.60,820 for the period 1.7.83 to 31.8.91 from certain employees was not made which needs justification & immediate recovery from them.”

**04-12-1995:** The Committee was informed by the Department that total recovery of Rs.60,820, with regard to overpayment of pay/indexed pay, from certain employees had been effected and verified by Audit. Accordingly **the para was settled.**

### **40. Para 11.40: Page 119 – Hospital Receipts Worth Rs.58,041 Less Deposited Into Government Treasury**

Audit had observed: “Hospital receipts on account of purchee fee & other miscellaneous sources to the stated extent recovered from the patients were deposited less into the Government treasury.”

**04-12-1995:** The recovery of Rs.47,451 had been verified by Audit. That balance of Rs.10,589.20 was to be written off as the official responsible had died. **The para was settled,** not to be quoted as precedent in other cases.

#### **41. Para 11.41: Page 119 – Recovery of Income Tax Amounting to Rs.54,280 Not Made From the Firms**

Audit had observed: “Various firms received payments from the Institute for the supply of material during the period from July, 1987 to June, 1989. As contained in Section 50(4) of the Income Tax Ordinance, 1979, the income tax at source @ 2% was to be deducted from the payments made to the firms in excess of Rs.50,000 PA and credited to Federal government. It was noticed that a sum of Rs.54,280 on account of income tax was not deducted from claims of various firms from July, 1987 to June, 1989.”

**04-12-1995:** The Department explained that the requisite Income Tax to the tune of Rs.10,164.97 was deposited with the Government by the firm which was also verified by Audit. Therefore, the para was reduced to Rs.21,445.

The Public Accounts Committee directed to reconcile the figures with Audit and record pertaining to exemption of Income Tax granted to some firms and respective assessment year might also be got verified by Audit. The para was kept pending.

**02-11-1998:** The Department explained that balance amount of Rs. 21,445 had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

#### **42. Para 11.42: Page 120 – Unnecessary Expenditure of Rs.593,000 and Suspected Misappropriation of Hospital Equipment Worth Rs.238,000**

Audit had observed: “One complete unit of “Echocardiography was purchased for Rs.1,770,000 through purchase cell of Health Department and was shifted to ward No.12 on 29.8.88. Subsequently 2 probes valuing Rs.593,000 were also purchased for ward No.12 inspite of the fact that after purchase of complete unit for this ward, there was no necessity for purchase of 2 probes. On physical verification one probe valuing 295,000 was found existing whereas second one for Rs.298,000 was missing which was stated to have been replaced later on by equipment i.e. “E&G Analyser” which valued for Rs.60,000 . Thus replacement being irregular resulted in misappropriation of Rs.238,000. The expenditure of Rs.593,000 was irregular and without any necessity which needed justification and regularization. Amount of Rs.238,000 (298,000 minus 60,000) also needed recovery.”

**04-12-1995:** The Department explained that the matter was scrutinized by an inquiry committee and report was submitted to the Government. The Government directed to call for the explanation of the concerned Associate Professor and to get the “probe” from the supplier.

The Public Accounts Committee was not satisfied and observed that Cardiography was purchased in complete form and there was no need of 2 additional “probes”. The firm responsible for the supply of “probe” was paid in advance without having the delivery of equipment. Physically one probe was missing and supplier offered to supply any other equipment of the same value. It was also not clear as to whether any substitute equipment was received or not. It was also not clear as to why the purchase cell of Secretariat allowed the said purchase of equipment without requirement. As such

the PAC directed that the Administrative Secretary should start disciplinary action against the officer who was responsible to watch and check the irregularity / misappropriation along with the M.S. concerned and Associate Professor. This action should be completed within two months. The para was kept pending.

**02-11-1998:** The Department explained that Finance Department had regularized the unnecessary expenditure of Rs.593,000 and suspected misappropriation of Hospital equipment worth Rs.238,000. The PAC accordingly **settled the para.**

**43. Para 11.43: Page 120 – Theft of Pay of Staff of T.H.Q. Hospital Chichawatni – Rs.50,182**

Audit had observed: “According to the acquittance rolls of pay of paramedical staff of THQ Hospital, Chichawatni Rs.9,471 were disbursed in November 1990 whereas Rs.59,653 were drawn from treasury as salary for the month of October 1990 and were shown as disbursed to staff on payment side of cash book. The acquaintance roll in respect of Rs.50,182 were not shown to audit. It was stated that cash was stolen but neither the matter was reported to Accountant General, Punjab, Lahore nor to the police. The matter was also not investigated departmentally.”

**04-12-1995:** The Committee accepted the explanation tendered by the Department and **settled the para.**

**44. Para 11.44: Page 121 – Non-Deposit of Purchee Fee Amounting to Rs.50,134.**

Audit had observed: “A sum of Rs.50,134 collected from the patients on account of purchee fee by various rural health centres/basic health units during the period from September 1989 to July, 1991 was not deposited into government treasury. The matter was brought to the notice of Administrative department in August, 1991 but no reply was received.”

**04-12-1995:** The Department explained that actual recoverable amount was Rs.22,254 recovery of which had been made and only an amount of Rs.8,517 was left to be recovered. Also the relevant record was with the Anti Corruption Department.

The Public Accounts Committee was not satisfied and observed that why the instructions of Finance Department on the subject were not complied with in letter & spirit and why the D.D.O. concerned paid salary to the defaulter without obtaining the clearance certificate about the purchee fee. The Department was directed to make good the balance recovery and get the same verified by Audit. The Public Accounts Committee also directed the Finance Department to issue instructions that in case of non-compliance of previous instructions issued by the Finance Department. The recovery would be effected from the concerned D.D.O. The para was kept pending.

**02-11-1998:** The Department explained that full recovery had been made and got verified by Audit. The PAC accepted the explanation and **settled the para**

**45. Para 11.45: Page 121 – Defective Purchase of One Water De-Ionizer – Loss of Rs.49,350**

Audit had observed: “During the physical verification of the store it was noticed that Water De-Ionizer weighing 5 liter purchased 5 years ago vide voucher No.184 of February 1986 at the cost of Rs.49,350 was still lying in the store. In reply to audit query it was stated that the said equipment was purchased for and issued to the laboratory, but it was found to be not in working order so it was returned to the store. It is quite obvious that the equipment acquired was substandard and defective and the govt. had to bear a loss of Rs.49,350. This required investigation and recovery from the officers/officials responsible for the same.”

**04-12-1995:** The Committee was informed that defective water De-Ionizer was purchased at a cost of Rs.49,350 which remained unused for five years. The Department explained that the said machinery could not be installed without centrifugal water pump which was not included in the agreement for the purchase of De-Ionizer.

The Committee observed that purchase was made without any planning and directed that the Administrative Secretary or the Director General should make a probe on the following lines:-

- (1) Why machinery remained unused for five years.
- (2) Was there any *mala fide* intention?
- (3) Why the centrifugal pump was not purchased along with the de-ionizer?
- (4) Why, during the ten years, permission was not sought for the purchase of pump?
- (5) Why defective machinery was purchased?

Action against the persons responsible for the purchase of machinery, defective or otherwise, without the centrifugal pump might also be taken. Action to be completed within two months. The para was kept pending.

**02-11-1998:** The Department explained that inquiry was conducted which revealed that bulk purchase of equipments including defective water deionizer was made. The said equipment had remained in the store for about 10 year. It was purchased without any demand from any quarter. Nobody checked the equipment on its receipt and nobody tried to make it functional. Without centrifugal pump it was an empty plastic box lying in the laboratory. A number of such boxes were supplied to the Hospital in Punjab causing loss to the public exchequer during 1991-92 through Purchase Cell/MSD. The case had been referred to the Administrative Wing for disciplinary action.

The PAC directed that responsibility for loss may be fixed and disciplinary action may be taken against the defaulters along with recovery of loss. This should be completed within three months. The para was kept pending.

**17-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 November 1998 by 30 November 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 11.46: Page 122 – Non-Deposit of Government Receipts – Rs.48,478**

Audit had observed: “Government receipts to the stated extent realized on account of purchase fee, private room charges and laboratory charges etc. from the patients were not deposited into Government treasury which is in contravention of Rule 7(1) of Pb. Sub-treasury rules.”

**04-12-1995:** The Department pointed out that the actual amount worked out to Rs.48,432 and its recovery had been effected. Moreover, the defaulter/s had been debarred from handling financial matters. Subject to verification of relevant record by Audit, the para was settled.

**02-11-1998:** The Department explained that all the relevant record and actual recovery of Rs.43,734 had been got verified by Audit as directed by PAC on 4.12.95. The PAC accepted the explanation and **settled the para.**

**47. Para 11.47: Page 122 – Non-Deposit of Laboratory Test Charges for Rs.44,649**

Audit had observed: “45% of Laboratory test charges fee as share of Government was required to be deposited in Government treasury as per Government of the Punjab health department letter No. SO (H&D) 12-13/73, dated 11.4.1985. The same amounting to Rs.44,649 was not credited to Government.”

**04-12-1995:** Subject to verification of record by Audit, the para was settled.

**02-11-1998:** The Department explained that during 1990-91 total 5272 lab cases were performed and the Government shared (45 %) Rs.32,567 for 2487 paid cases which had already been deposited into Government Treasury. The entries of 2785 free cases could be verified from the record. The PAC accepted the explanation and **settled the para.**

**48. Para 11.48: Page 123 – Less/Non-Deposit of Ambulance Charges Received From Patients Amounting to Rs.43,871.**

Audit had observed: “Ambulance charges to the stated extent realized from the patients were either less deposited or not deposited at all into Government treasury.”

**04-12-1995:** The Department explained that recovery of Rs.20,332 @ Rs.1.50 instead of Rs.2.50 was levied by Audit. Rate of Rs.1.50 was in accordance with order of the Government. It was also explained by the Department presently field officer got very little amount in imprest account and therefore, to meet the emergent expenses the concerned officers used the money from Government receipts.

The PAC directed the Finance Department to increase the imprest money keeping in view the prevailing circumstances.

Subject to verification of record showing that the rate of ambulance charges @ Rs.1.50 was correct instead of Rs.2.50 the para was settled.

**02-11-1998:** The Department explained that the balance amount of Rs. 23,539 had been deposited with the Government. The PAC accepted the explanation and **settled the para.**

**49. Para 11.49: Page 123 – Recovery of House Rent Allowance – Rs.42,240**

Audit had observed: “A sum of Rs.42,240 was paid on account of house rent allowance to eight occupants (nursing staff) from 1.5.90 to 31.8.91 @ 330 P.M which was not admissible vide circular letter Government of the Punjab. Finance Department No.FD/PR-21-1-90, dated 13.2.90.”

**04-12-1995:** The explanation of the Department was accepted and **the para was settled.**

**50. Para 11.50: Page 124 – Overdrawal of Pay and Allowances to the tune of Rs.39,975**

Audit had observed: “A scrutiny of the service books, pay roll and other record revealed that different members of staff were being overpaid as some of them were not entitled to increments, conveyance allowance and from them room rent was not being deducted.”

**04-12-1995:** The explanation of the Department was accepted and the para was settled subject to verification of service book by Audit.

**02-11-1998:** The Department explained that the balance amount of Rs.5,109 had also been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**51. Para 11.51: Page 124 – Non-Recovery of Rent of Property Situated in Lahore Amounting to Rs.39,340**

Audit had observed: “Hospital’s property situated inside Bhatti and Taxali Gate, Lahore had been rented out to private persons who were not paying the monthly rent. Amount of arrears to the tune of Rs.39,340 was accumulated upto 30.9.91.”

**04-12-1995:** The Department explained that the property was donated to the hospital and was already occupied by private persons who were paying rent to the hospital. According to the will of persons who donated the property, the income was to be spent towards the welfare of the patients while presently the same was going to Government Treasury. The Department explained that they were pursuing the recovery of rent vigorously. The Committee observed that the income should be utilized for charitable purposes because the property was donated for purely this purpose and it should not go to the Government. The Administrative Secretary was directed to take a decision accordingly. **The para was settled.**

**52. Para 11.52: Page 125 – Non/Less Deposit of Purchee Fee Amounting to Rs.32,911**

Audit had observed: “The stated amount realized from patients from January, 1987 to July, 1991

on account of purchase fee was either less deposited or not deposited at all into Government treasury.”

**04-12-1995:** The Department explained that the amount of Rs.32,911 realized from patients, for the period from January 1987 to July 1991, had been deposited in the Government Treasury. Subject to verification of recovery/record, by Audit, the para was settled.

**02-11-1998:** The Department explained that relevant record pertaining to recovery of Rs.32,911 had been got verified by Audit. The responsible official had also been awarded punishment by stopping two annual increments. The PAC accepted the explanation and **the para was settled.**

### **53. Para 11.53: Page 125 – Illegal Drawal of Rs.32,809 on Account of Pay of Midwife – Recovery Thereof**

Audit had observed: “A lady Midwife of basic health unit Karol was absent from her duty since 1.5.89 while on general duty in Model Town dispensary. Her pay was drawn upto July, 1991 under personnel No.017-01-758936 and shown paid under fictitious signatures. On going through the file on the subject it was revealed that the DHO directed her to join duty vide his memo No.12756, dated 12.12.89. The matter of termination of her services was under process and another midwife was appointed in her place. The pay of former midwife should have been got inactive in the computer cell of the AG Punjab, Lahore which was not done. The total amount shown disbursed under fictitious signatures works out to Rs.32,809 from 1.5.89 to 31.7.91.

Under Rule 2.31 read with Rule 7.12 of the PFR Vol.I the failure of the DHO to observe/enforce the provisions of Rules germinated cause of illegal drawal and non disbursement of the amount.”

**04-12-1995:** The Committee was informed that a Midwife of Basic Health Unit was absent from her duty since 1-5-1989, but her pay was drawn from 1-5-1989 to 31-7-1991 and paid under fictitious signatures. It was also stated by the Department that recovery of Rs.32,809 had been effected.

The Committee did not feel satisfied with the action taken by the Department to effect recovery only. They emphasized that this was a case of proved fraud/forgery in which simple recovery was not sufficient. The Committee wondered why the Department failed to lodge an FIR for this clear-out case of fraud and forgery. The Committee directed that exemplary action should be taken against the D.D.O. and the Accountant within two months. The para was kept pending for action and verification of the same by Audit.

**02-11-1998:** The Department explained that Mr. Muhammad Ibrahim the then cashier was responsible for the illegal drawal of Rs. 32,809 Punishment had been awarded to him by reduction to the lowest stage of his rank. The amount of Rs. 32,809 had also been recovered from him. The then D. D.O. had since been retired and therefore, no action against him was possible. The PAC accepted the explanation and **settled the para.**

### **54. Para 11.54: Page 126 – Non-Recovery of House Building Advance Amounting to Rs.32,760**

Audit had observed: “A sum of Rs.32,760 was drawn and paid to one Male Nurse, during 1987-88 in two installments of Rs.16,380 each on account of house building advance. But despite lapse of four years no recovery whatsoever was made from the employee so far in violation of Rule 10.16 (V) of Punjab Financial Rules.”

**04-12-1995:** The Department explained that a sum of Rs.32,760 was drawn and paid to a Male Nurse on account of house building advance without executing the mortgage deed. The official concerned absconded without refunding the amount and had been dismissed from service. The Department could not satisfy the PAC as to why advance was given to the defaulter without any mortgage deed.

The Committee directed that the District Magistrate, Layyah, should be approached to recover the amount as arrears of land revenue within two months. The para was settled.

**02-11-1998:** The Department explained that all the recovery amounting to Rs.32,760 had been effected from the person concerned and got verified by Audit. The PAC accepted the explanation and **settled the para.**

#### **55. Para 11.55: Page 126 – Non-Accountal of Rs.32,694 Through Cash Book**

Audit had observed: “A sum of Rs.32,694 on account of closing balance in cash book on 10.10.90 was not handed over to the Senior Clerk as cash balance at the time of handing over charge on 15.10.90 in violation of Rule 2.10(b) (4) of PFR Vol.1.”

**04-12-1995:** Subject to verification of the relevant record by Audit, the para was kept pending.

**02-11-1998:** The Department explained that the amount of Rs.32,694 had been recovered from the pension of retired Head Clerk who was responsible for the irregularity. The position had also been verified by Audit. The PAC accepted the explanation and **the para was settled.**

#### **56. Para 11.56: Page 127 – Non/Less Deposit of Government Receipts – Rs.29,828**

Audit had observed: “Purchee fees to the stated extent were realized from the patients in various basic health units. The sums were either not deposited or were less deposited into government treasury.”

**04-12-1995:** The Department informed the Committee that full amount had been recovered. Subject to verification of record pertaining to recovery by Audit, the para was settled.

**02-11-1998:** The Department explained that recovery of Rs. 29,828 had been got verified by Audit. The PAC accepted the explanation and **settled the para.**

#### **57. Para 11.57: Page 127 – Less Deposit of Hospital Receipts Amounting to Rs.27,893**

Audit had observed: “Hospital receipts realized from the patients on account of purchee fee,

admission fee and ambulance charged were less deposited into the government treasury to the stated extent. The matter was reported to the department in October, 1991 but no reply was received.”

**02-11-1998:**The Department explained that the recoverable amount of Rs. 27,893 had since been made good and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**58. Para 11.58: Page 128 – Non-Deposit of Ambulance Charges of Rs.27,880**

Audit had observed: “Ambulance charges to the above extent realized from the patients were not deposited into government account as required under Rule 7(1) of Punjab Sub Treasury Rules.”

**02-11-1998:** The Department explained that the amount of Rs. 27,880 had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**59. Para 11.59: Page 128 – Unjustified Payment of Rent – Recovery of Rs.27,000 and Non-Production of Record**

Audit had observed: “The department hired a building situated in Block Sector C-I of Town Ship Scheme, Lahore at a monthly rent of Rs.9,000. A sum of Rs.27,000 was paid to the owner from 20.5.90 to 20.8.90 in cash instead of crossed cheque.”

**02-11-1998:** The Department explained that inquiry was conducted and it was found that neither any negligence was committed by the officer incharge nor any fictitious or bogus payment was made. The space was acquired which could not be utilized due to some procedural difficulty which took place in clearance by the surveyor of the equipment. The space was hired with due permission of the Director General, Health Services. So, there was no irregularity. The PAC accepted the explanation and **the para was settled.**

**60. Para 11.60: Page 129 – Loss to Government Due to Theft of Medicines and Store Articles Valuing Rs.26,459**

Audit had observed: “Medicines and store articles of the stated value were in record as stolen from various basic health units but no steps were taken for recovery thereof.”

**02-11-1998:** The Department explained that all the stolen articles had been recovered from the defaulters through police. Anyhow, they were exonerated by the court as the theft case had not been proved in the court. An amount of Rs. 4,213 had been recovered from the official concerned. The PAC accepted the explanation and **settled the para.**

**61. Para 11.61: Page 129 – Non-Accountal of Stock Articles Worth Rs.25,250**

Audit had observed: “The furniture and other stock articles of the stated amount were purchased from the budget allocation of the year for the office. The same were not found entered in the stock. All the articles registered however, were stated to be handed over to Deputy Inspector General, (Crimes) without obtaining authentic acknowledgment. The accountal in the stock was neither accounted for in the register of the laboratory, nor record produced. The matter needs to be looked

into and recovery of the value of stock articles recovered from the defaulter(s).”

**02-11-1998:** The Department explained that Forensic Science Laboratory Punjab was working under the Administrative Control of I.G. Punjab therefore, this para pertained to Home Department. As such the para may be transferred to Home Department. The PAC directed the Audit that the para be transferred to the Home Department. The para was kept pending.

**17-06-2002:** The PAC in its meeting on 2 November 1998 had transferred the para to the Home Department. As such the para was dropped from here. **The para was accordingly dropped** so far as Health Department was concerned.

#### **62. Para 11.62: Page 130 – Non/Less Deposit of Purchee Fee for Rs.24,029**

Audit had observed: “Purchee fee amounting to Rs.24,029 realized from indoor/outdoor patients was either less deposited or not deposited at all in violation of Rule 7(1) of Treasury Rules Punjab.”

**02-11-1998:** The Department explained that the amount of Rs.24,029 had since been deposited into Government Treasury and the position had been got verified by Audit. The PAC accepted the explanation and **settled the para.**

#### **63. Para 11.63: Page 130 – Theft of Tono-Meter and One Ophthuroscope of the Eye Operation Theater Worth Rs.20,000**

Audit had observed: “During physical verification of stores by audit one new tonometer and one ophthuroscope of the eye operation theater were found missing. In reply to audit query it was stated that the same were stolen in May, June, 1991. The theft was required to be brought to the notice of AG Punjab, DG Audit as laid down in para 2.34 & 2.35 of PFR Vol.I. The matter was brought to the notice of the Administrative department in April, 1992 but no reply was received.”

**02-11-1998:** The Department explained that inquiry was conducted but the inquiry officer could not fix responsibility. Another inquiry was conducted but the defaulter was not traced. The case was still pending with the police authorities without any tangible progress.

The PAC in view of the explanation **settled the para** with the directive that it may not be quoted as precedent in future.

#### **64. Para 11.64: Page 131 – Hospital Receipts Not/Less Deposited Into Government Treasury Amounting to Rs.18,979**

Audit had observed: “Hospital receipts on account of indoor/outdoor fees were realized from the patients in various rural health centres and basic health units but these receipts were either not deposited or were less deposited into government treasury.”

**02-11-1998:** The Department explained that total amount had been deposited with the Government and got verified by Audit. The PAC accepted the explanation and **settled the para**

#### **65. Para 11.65: Page 131 – Doubtful Consumption of Medicines Worth Rs.16,662**

Audit had observed: “The medicines of the stated value shown as consumed but the consumption thereof was not found recorded inpatient’s charts, treatment registers, OPD/Emergency registers/expense books etc.”

**02-11-1998:** The Department explained that the amount of Rs.16,662 had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

#### **66. Para 11.66: Page 132 – Non-Accountal of Store Items Worth Rs.15,820**

Audit had observed: “The stated amount drawn from the Accountant General, Punjab, Lahore vide cheque No.765607 dated 24.2.91 for an aggregate amount of Rs.31,692 was paid to a firm on account of purchase of 8 miscellaneous items of consumable nature. The said items were not found recorded in the stock.”

**02-11-1998:** The Department explained that all the store items worth Rs. 15,820 were properly entered in the stock register on the date of their receipt and issued on different dates. The PAC accepted the explanation and **settled the para.**

#### **67. Para 11.67: Page 132 – Embezzlement of Rs.12,920 on Account of Withdrawal of Pay and Allowances**

Audit had observed: “Certain officers/officials were transferred to other places or retired. According to Rule 2.31 of PFR Volume I, the drawer of bill of pay, allowances, contingent and other expenses will be held personally responsible for any overcharge, etc. but pay and allowances of the officials/staff were drawn even in the cases where LPC was issued. Necessary instruction were to be fed into the computer of the Accountant General, Punjab, Lahore, which was not done. Their pay and allowances were therefore drawn unauthorizedly.”

**02-11-1998:**The Department explained that total amount was Rs. 32,764 instead of Rs.12,920. The same had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

## **Commercial Audit**

### **1. Para 3(x and xi): Page 5 – Non-Compilation of Accounts**

Government Medical Stores Depot, Lahore 1987-88 to 1991-92  
Punjab Pharmacy Council, Lahore 1991-92

**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.

# Home Department

## Overview

<b>Total Paras</b>	<b>Civil</b>
<b>27</b>	<b>27</b>

## Abstract

<b>Status</b>	<b>Decision</b>	<b>Para Nos.</b>	<b>Total</b>
<b>Paras Finally Settled</b>  <b>14</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 13.3, 13.4, 13.5, 13.7, 13.8, 13.16, 13.18, 13.19, 13.20, 13.22, 13.23, 13.24, 13.25, 13.26	<b>14</b>
<b>Paras Conditionally Settled</b>  <b>10</b>	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.	<b>Civil:</b> 11.61 (Transferred from the Health Department), 13.6, 13.9, 13.10, 13.11, 13.12, 13.13, 13.14, 13.15, 13.21	<b>10</b>
<b>Paras Pended</b>  <b>3</b>	Paras pended as the Department had not taken satisfactory action.	<b>Civil:</b> 13.1, 13.2, 13.17	<b>3</b>

**Discussed on 10 October 1995, 2 August 1999 and 18 June 2002**

## Civil Audit

### **1. Para 11.61: Page 146 – Non-Accountal of Stock Articles Worth Rs.25,250**

Audit had observed: “The furniture and other stock articles of the stated amount were purchased from the budget allocation of the year for the office. The same were not found entered in the stock. All the articles registered however, were stated to be handed over to Deputy Inspector. A sum of

Rs.890,357 was utilized for purchase of various store and stock articles but their stock entries as required under Rule 15.4 (a) of PFR Vol.I were not available in the stock registers.”

**02-08-1999:** The audit apprised the PAC that para no. 11.61 had been transferred to the Home Department but the Home Department did not produce the working papers of the said para to Audit for comments. Neither the same had been presented to the PAC.

The PAC directed the Department to present the said para before the PAC in the next meeting. The para was kept pending.

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para 13.1: Page 134 – Purchase Beyond Competency – Rs.2,374,686**

Audit had observed: “Store articles costing Rs.2,374,686 were purchased during 1990-91 in contravention of Rule 15.2 of PFR Vol.I Part-I read with Government of the Punjab, Finance Department letter No.FD(FR)II-5/82, dated 2.11.1986 which provides that Government officers of category-I &II are competent to make local purchase of articles upto Rs.150,000. This limit was not observed by the Superintendent of Police.”

**10-10-1995:** The Department explained that expenditure was incurred to provide uniforms, charpeys & Kit Boxes to new recruits. Necessary codal formalities were observed for incurring the expenditure. The detail of the expenditure was as under:-

- (i) Uniform articles purchased during 1989-90 and payment thereof was made during 1990-91 to the tune of Rs.702,895.
- (ii) Cost of uniform articles during 1990-91 to the tune of Rs.886,266
- (iii) Stitching charges of uniforms during the year 1989-90 & 1990-91 amounting to Rs.359,000.
- (iv) Purchase of charpeys amounting to Rs.158,500.
- (v) Cost of Niwar for charpeys amounting to Rs.268,025.

### **Item No. (i)**

The Public Accounts Committee was not satisfied with the payment of articles in financial year 1990-91 which were purchased during 1989-90. Therefore, the Finance Department was directed to examine the issue and advise the Public Accounts Committee. The item was kept pending.

### **Item No. (ii), (iii), (iv) & (v)**

These items were kept pending for regularization of the expenditure by the Competent Authority.

**02-08-1999:** The Department explained that the case had been taken up by the Finance Department as per directive of PAC. Anyhow, the Department regretted the delay in finalizing the matter.

The Finance Department apprised the PAC that expenditure in case of item No. (ii) (Rs.886,266), (iii) (Rs.359,000), (iv) (Rs.158,500) and (v) (Rs.268,025) had been incurred without any budgetary provision.

The PAC felt quite dissatisfied with the explanation and directed that inquiry may be conducted to fix responsibility for incurring expenditure beyond competence without any budgetary provision and for non-compliance of PAC directive dated 10-10-1995 despite the lapse of four years. The said inquiry committee would comprise, one representative of the Department, one member from Finance Department and, one member from D.G Civil Audit. The findings of the inquiry may be presented to the PAC. The para was kept pending.

**18-06-2002:** 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 13.2: Page 134 – Overdrawal of Funds Amounting to Rs.1,414,948 on Account of C.D. C. Charges in Excess of Budget**

Audit had observed: “As laid down under Rule 17-15 of PFR Vol.I, no government servant may incur expenditure without obtaining prior permission of additional appropriation in excess of the amount provided under the appropriate head. But it was noticed that an amount of Rs.5,217,918 was spend against the budget provision of Rs.3,802,970 resulting in excess expenditure to the stated extent.”

**02-08-1999:** The Department explained that the case for the regularization of excess expenditure of C.O.C charges (Carriage of Constabulary) had been submitted to the Government. The decision of the Government in this regard was awaited.

The PAC directed that inquiry may be conducted to fix responsibility on the officer who incurred the expenditure without availability of funds and to ascertain whether T.A. bills were paid to the constables or not. The inquiry committee would comprise, one representative from the Finance Department and one representative from the D.G. Civil Audit. The findings of inquiry may be submitted to the PAC. The para was kept pending.

**18-06-2002:** 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 13.3: Page 135 – Overpayment of Rs.546,750 to Employees Due to Wrong Fixation of Pay**

Audit had observed: “Constables/head constables who qualified matriculation examination were allowed 5 advance increments with effect from 1.7.83 in NPS 2 and NPS 3 respectively. After that constables/head constables were allowed NPS 5 and NPS 7 respectively with effect from 1.5.90 vide Punjab Government Finance Department No.FD.PC-14-3/87, dated 25.5.90 with 3 advance increments to those who possessed matric qualification and had not drawn benefits of 5 advance increments. The constables/Head constables who were granted 5 advance increments with effect from 1.7.83 were also given 3 increments with effect from 1.7.90 and thus 350 constables/head constables have drawn over payment of Rs.546,750 from 1.5.90 to 30.6.91.”

**10-10-1995:** The Department explained that recovery of Rs.546,750 had been effected from the concerned employees and verified by D.A.O Okara. The Committee directed that an inquiry should be conducted by the S.P., Okara, to ascertain the names of the officials who had drawn overpayment due to wrong fixation of pay, along with the amount and the result of inquiry may be reconciled with Audit within two months and recovery be made accordingly. The para was kept pending.

**02-08-1999:** The Department explained that the matter had been probed and it had been found that actual overpaid amount was Rs.547,194 instead of Rs.546,750 as worked by Audit. The said amount of Rs.547,194 had since been recovered from the officials concerned and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

#### **5. Para 13.4: Page 135 – Non-Accountal of Maize and Barseen Fodder Valuing Rs.440,200**

Audit had observed: “503 acres 5 kanal kharif and rabi fodder was sown during 1988-89 and 1989-90, as per khasras gardawari and water charges were paid 285 acres fodder was auctioned and 29 acres 2 kanal remained un-auctioned for the feed of cattle of jail officials. Disposal of 189 acres 1 kanal of fodder, of the stated value, was not available on record.”

**10-10-1995:** The Department explained that there was a difference about the area shown calculated by Audit in Audit observation and that shown in the books of the Department.

The explanation of the Department was accepted with regard to Barseen Fodder and the para to the extent of Barseen Fodder was settled. The Committee directed the Department to hold a detailed inquiry and in case there was any misappropriation the responsibility might be fixed and recovery be effected along with disciplinary action against the defaulter within one month. The inquiry committee should also include a representative of Audit. The Director General Audit was also directed to depute some officer to take part in the inquiry. Item pertaining to Maize Fodder was kept pending.

**02-08-1999:** The Department explained that according to the findings of the inquiry committee which included a representative of Audit also, 12 acres Maize did not germinate due to heavy rain and the jail authorities did not re-sow the crop on the said area. This fact has also been verified by Audit. The PAC accepted the explanation and **the para was settled.**

#### **6. Para 13.5: Page 136 – Irregular Repair of Building Costing Rs.309,900**

Audit had observed: “A sum of Rs.309,900 was utilized on account of ordinary and special repair of building under the administrative control of police department. Under Sr. No.3 of Part-II special powers to certain departments (Police Department) of Delegation of powers, 1990 the SP is competent to accord sanction to such works upto Rs.10,000. Instead the repair was split up in order to avoid the sanction of higher authority in contravention of Rule 15.2 (a) of PFR Vol.I.”

**10-10-1995:** The Committee accepted the explanation of the Department and **settled the para** with the observation that, in future, the S.Ps should be directed not to cross their financial limits and splitting of expenditure should also be avoided.

#### **7. Para 13.6: Page 136 – Irregular Expenditure of Rs.304,418 on the Repair of Government Vehicles**

Audit had observed: “Under para 7(b) part-I of Delegation of Financial Power Rules, 1990, the Superintendent of Police being an officer of category-II was empowered to incur expenditure on the repair of Government vehicles upto Rs.25,000 in case the repairs were carried out in government workshop and in the absence thereof by inviting open tenders. The expenditure to the stated extent was incurred on the repair of vehicles beyond the competency and also without NOC of government workshop and inviting open tenders.”

**10-10-1995:** The para was settled subject to verification of relevant record by Audit.

**02-08-1999:** The Department explained that the repair of vehicles was carried out at lowest/ economical rates by inviting quotations after obtaining NOC from Government Workshop. The PAC **settled the para subject to verification of record by Audit.**

#### **8. Para 13.7: Page 137 – Non-Production of Vouched Account for Rs.275,293**

Audit had observed: “A sum of Rs.275,293 was drawn in advance from treasury and paid to one head constable on 22.8.1989 for his medical treatment abroad. The vouched account was not produced by the said official in violation of Rules 2.20/2.22 of PFR Vol.I.”

**10-10-1995:** The explanation of the Department was accepted and **the para was settled.**

#### **9. Para 13.8: Page 137 – Non-Accountal of 93 Acres 5 Kanals Maize Fodder and 18 Acres 4 Kanals Barseen Fodder Valuing Rs.253,400**

Audit had observed: “Out of the 170 acres maize fodder 64 acres were auctioned in kharif-88 and of the 94 acres barseem fodder 70 acres were auctioned after deducting 44 kanal barseem and 99 kanal maize fodder required for buffaloes of jail staff. There is no accountal of 93 acres 5 kanal maize fodder & 18 acres 4 kanal barseem fodder valuing Rs.253,400.”

**10-10-1995:** The Department explained that there was a difference about the area shown calculated by Audit in Audit observation and that shown in the books of the Department.

The explanation of the Department was accepted with regard to Barseen, Fodder and the para

to the extent of Barseen Fodder was settled. The Committee was not satisfied about the maize fodder and directed the Department to hold a detailed inquiry and in case there was any misappropriation the responsibility might be fixed and recovery be effected along with disciplinary action against the defaulter within one month. The inquiry committee would also include a representative of Audit. The Director General Audit was also directed to depute some officer to take part in the inquiry. Item pertaining to Maize Fodder was kept pending.

**02-08-1999:** The Department explained that according to the findings of the inquiry committee which included a representative of Audit also, recovery of Rs.16,875 (Rs.15,000 from Ch. Mohammad Afzal the then Dy. Superintendent Jail, Sahiwal and Rs.1,875 from Mr. Saif Ullah Gondal the then Dy. Superintendent Jail, Sahiwal) had since been effected and got verified by Audit. Disciplinary action had also been completed. The accounts of the jail had been maintained according to the requirement of Audit. The PAC accepted the explanation and **the para was settled.**

### **10. Para 13.9: Page 138 – Expenditure on Residential Telephone Over & Above the Prescribed Limit – Recovery of Rs.239,764**

Audit had observed: “The S.P was competent to incur expenditure upto 900 calls per month in terms of Government of Punjab, Finance Department, Lahore letter No.FD(PW-II)2-1/Tele/82, dated 10.7.88 in which the maximum limit of residential phones was fixed. The S.P drew bills in excess of the prescribed limit of phone No.2947 which exceeded to the tune of Rs.239,764.”

**10-10-1995:** The Department explained that all the telephone calls were made by the SP, Layyah for the maintenance of Law & Order in the best interest of public. The expenditure pertained to 3 years period and not for one year.

The PAC observed that scrutiny of the relevant record was necessary to ascertain the year wise break up of the expenditure. Therefore, Additional I.G. of Police was directed to hold a detailed inquiry into the expenditure within two months and the expenditure may be regularized or recovered from the concerned officer. The para was kept pending.

**02-08-1999:** The Department explained that the District Superintendent of Police being the controlling authority had to remain round the clock in touch with the higher authorities to pass an information and receive the directives concerning with Law & Order situation. Therefore, all the calls were made in the public interest.

The PAC directed that the excess expenditure may be got regularized by the Competent Authority. The officer who did not move the case timely for the regularisation of excess/irregular expenditure may also be proceeded against under the rules. The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 August 1999 by 30 November 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 13.10: Page 138 – Expenditure on Residential Telephone in Excess of Prescribed Limit Amounting to Rs.159,458**

Audit had observed: “The Government of Punjab (the Finance Department) vide their letter No. FD(PW.II)2-1/Tele./82 dated 10.7.1988 has fixed the monthly limit on the expenditure on residential telephone for police officers whereas expenditure to the stated extent was incurred in excess of the prescribed limits.”

**10-10-1995:** The para was kept pending for regularization of the expenditure by the Competent Authority.

**02-08-1999:** The Department explained that the District Superintendent of Police being the controlling authority had to remain round the clock in touch with the higher authorities to pass information and receive the directives concerning with Law & Order situation. Therefore all the calls were made in the public interest.

The Department explained that case had been referred to Finance Department for regularization of telephone expenditure and its decision was awaited.

The PAC directed that excess expenditure may be got regularized by the Competent Authority. The officer who did not move the case timely for the regularization of excess/irregular expenditure may also be proceeded against under the rules. The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 August 1999 by 30 November 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 13.11: Page 139 – Suspected Misappropriation of Stamps Amounting to Rs.148,720**

Audit had observed: “Stamps of the stated value were suspected to have been misappropriated in licensing branch during the period from 24.9.87 to 30.3.90. The case was got registered in the police station “A” Division, R.Y. Khan vide F.I.R. No.261/91, dated 28.9.91.”

**10-10-1995:** The Department explained that a case for the misappropriation was lodged. Mr. Ahmed Khan (DSP) Headquarter, Rahim Yar Khan was held responsible for the said misappropriation. The officer had since expired.

The Committee recommended the para for write off by the Competent Authority with the observation that the Department should ensure that, in future, such irregularities would not be committed.

The para was kept pending for the said write off sanction by the Competent Authority.

**02-08-1999:** The Department explained that a case for the write off sanction of the loss had since been sent to the Government. The decision was awaited.

The PAC directed that inquiry may be conducted to ascertain as to why the case for the write off sanction of loss could not be moved earlier/timely and who was responsible for the delay. Defaulter may be proceeded against under the rules. The right off case may be pursued at personal level and the right off sanction be obtained within two months positively under intimation to PAC. The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 August 1999 by 30 November 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 13.12: Page 139 – Overpayment to Contractor – Rs.139,928**

Audit had observed: “A sum of Rs.139,928 was paid to a contractor for the supply of Atta at the rate over and above the approved rates.”

**10-10-1995:** The Department explained that whenever the Government enhanced the rates of wheat then the rates of Atta were also enhanced. Therefore, the price variation clause was invoked and the payment was made on higher rates.

The PAC directed that relevant record might be produced to Audit for detailed scrutiny to ascertain the factual position. This action should be completed within one month. The para was kept pending.

**02-08-1999:** The Department explained that the price of Atta had been enhanced vis-à-vis the price of wheat enhance by the Government. In this case the price of wheat had been enhanced and resultantly the price of Atta had also been enhanced. Therefore, the higher rates were paid to the contractor.

The PAC directed that matter may be probed into to ascertain the factual position with regard to the enhancement of rate of Atta and payment to the contractor at higher rates. The para was kept pending.

**18-06-2002:** 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 30 November 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 13.13: Page 140 – Expenditure in Excess of the Prescribed Limit on Residential**

### **Telephone Amounting to Rs.82,093**

Audit had observed: “In the light of the Govt. of Punjab, Finance Department circular No.SO(PW-II)-2-1/Tel/82, dated 10.7.1988, telephone calls in excess of 900 calls in a month were required to be paid by the officer concerned in respect of residential telephone provided by the Govt. But no charges beyond the limit were paid by the S.P. himself.”

**10-10-1995:** The PAC directed that the expenditure might be got regularized by the Competent Authority.

The para was kept pending for the said regularization by the Competent Authority.

**02-08-1999:** The Department explained that case had been referred to Finance Department for regularization of telephone expenditure and its decision was awaited.

The PAC observed that nature of duty had been changed and therefore, the cases of telephone ceiling were required to be rationalized accordingly.

The PAC directed that excess expenditure may be got regularized by the Competent Authority. The officer who did not move the case timely for the regularization of excess/irregular expenditure may also be proceeded against under the rules. The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 August 1999 by 30 November 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 13.14: Page 140 – Expenditure on Residential Telephone Over & Above the Prescribed Limit Amounting to Rs.76,217**

Audit had observed: “In the light of the Govt. of Punjab, Finance Department No.SO(PL-I) VII (18) Tele/75, dated 15.1.79, the Superintendent of Police was permitted 700 local calls free of cost, later raised to 900 local calls with effect from 1.7.88 vide No.FD(PW-II)2-1/Tele/82 (Provl.) dated 10.7.1988. The said limit of local calls was exceeded during the period of Audit. The excess expenditure was not paid by the officer himself.”

**10-10-1995:** The Department explained that telephone calls were made in connection with the maintenance of Law & Order in the public interest.

The PAC directed that the expenditure might be got regularized by the Competent Authority. The para was kept pending for regularization of expenditure.

**02-08-1999:** The Department explained that the District Superintendent of Police being the controlling authority had to remain round the clock in touch with the higher authorities to pass an information and receive the directives concerning with Law & Order situation. Therefore, all the calls we made in the public interest.

The PAC directed that excess expenditure may be got regularized by The Competent Authority. The officer who did not move the case timely for the regularization of excess/irregular expenditure may also be proceeded against under the rules. The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 August 1999 by 30 November 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 13.15: Page 141 – Expenditure on the Residential Telephone Over & Above the Prescribed Limit Amounting to Rs.74,620**

Audit had observed: “During the year 1990-91 the Superintendent of Police, Jhang incurred Rs.85,420 on account of charges of residential telephone No.4299 of S.P. house Jhang, whereas the prescribed ceiling for residential telephone of Superintendent of Police is restricted to 900 local calls in terms of Government of Punjab Finance Department letter No.FD(PW-II)2-1/pb./82, dated 10.7.1988. The expenditure in excess of the prescribed limit to the extent of Rs.74,620 was made.”

**10-10-1995:** The Department explained that telephone calls were made in connection with the maintenance of Law & Order in the public interest.

The PAC directed that the expenditure might be got regularized by the Competent Authority. The para was kept pending for regularization of expenditure.

**Special Directive**

The Committee recommended that the Government may rationalize the ceiling of residential telephone in case of police officers on merit.

**02-08-1999:** The Department explained that the District S.P. being the controlling authority had to remain round the clock in touch with the higher authorities to pass on information and receive the directives concerning with Law & Order situation. Therefore, all the calls were made in the public interest.

The PAC directed that excess expenditure may be got regularized by the Competent Authority. The officer who did not move the case timely for the regularization of excess/irregular expenditure may also be proceeded against under the rules. The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 August 1999 by 30

November 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 13.16: Page 141 – Non-Accountal of POL etc. Amounting to Rs.68,561**

Audit had observed: “A sum of Rs.68561 was expended on the purchase of POL for the use of Government vehicles during the period from 22.3.1991 to 18.6.1991. But the stock entries of the same were not available in the record of the office which was in violation of rules (Govt. staff vehicles use and maintenance rules, 1969). Relevant log books of the vehicles were also not produced to audit for verification of accountal.”

**10-10-1995:** The Department explained that all the log books, duly completed, had been collected for the verification of Audit.

The Department was directed to produce the relevant log books to Audit for verification of the factual position. The para was settled subject to said verification by Audit.

**02-08-1999:** The Department explained that all the entries of P.O.L vouchers had been made in the relevant Log Books of vehicles. The matter had also been got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**18. Para 13.17: Page 142 – Payment of Rewards Beyond Competency and in Excess of Budget Provision to the Tune of Rs.66,650**

Audit had observed: “In violation of Rule 2.10 (a) (5) and Rule 17.15 of PFR. Vol.I and provisions of Serial No.1 of part III of Delegation of Financial Powers Rules, 1990. (Special Powers to Police Department) payment of rewards was made beyond competency and also in excess of budget provision to the stated extent.”

**10-10-1995:** The Department explained that rewards were paid under the sanction of Competent Authority. Case regarding reconciliation excess was being referred to the Finance Department.

The Department was directed to get the expenditure regularized and verified by Audit. The para was kept pending for regularization by Finance Department.

**02-08-1999:** The Department explained that as per directive of PAC dated 10-10-1995 a case for the regularization of excess expenditure had been referred to the Government. The decision was awaited.

The PAC directed that inquiry may be conducted to fix responsibility for the incurring of excess expenditure without budgetary provision/funds. The inquiry committee would comprise one representative of the Department, one representative of Finance Department and one representative of D.G. Civil Audit. The findings of the inquiry may be presented to the PAC. The para was kept pending.

**18-06-2002:** 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.

**19. Para 13.18: Page 142 – Irregular Payment of Rent of Building Amounting to Rs.58,000**

Audit had observed: “Police station Saddar T.T. Singh was housed in a rented building since 1.11.1988. A sum of Rs.58,000 was paid as rent for the period 1.11.88 to 31.3.91 @ Rs.2,000/- P.M. As the monthly rent was in excess of Rs. 500/- P.M, the clearance certificate of the Finance Department was to be obtained as required vide note 2 below Sr. No.V of Delegation of Powers Rules, 1990, which was not done.”

**10-10-1995:** The explanation of the Department was accepted and **the para was settled.**

**20. Para 13.19: Page 143 – Non-Deduction of Income Tax for Rs.53,386**

Audit had observed: “A sum of Rs.1,807,026 was paid on account of purchase of POL and Rs.81,846 for purchase of autos, but income tax at the prescribed rates was not deducted from the payment in violation of section 50(4) of Income Tax Ordinance, 1979.”

**10-10-1995:** The explanation of the Department was accepted and **the para was settled.**

**21. Para 13.20: Page 143 – Non-Receipt of Stationery From Printing Press for Rs.53,300**

Audit had observed: “The sated amount was paid to the Manager, Government Printing Press, Lahore for the purchase of stationery and forms, but the same was not received in violation of Rules 15.4(a) and (b) of PFR Vol.I.”

**10-10-1995:** The para was settled subject to verification of the relevant record by Audit.

**02-08-1999:** The Department explained that all the stationery articles had since been received and entered in the relevant Stock Register. The PAC accepted the explanation and **settled the para.**

**22. Para 13.21: Page 144 – Irregular/Unauthorised Expenditure of Temporary Telephone Connection for Rs.42,676**

Audit had observed: “A telephone connection No.65100 was installed temporarily for three days on the occasion of the visit of Inspector-General Police at the Punjab Police rest house, Sargodha in February, 1988. It was shown disconnected in record, but actually it was not done and continued upto July, 1988. It was misused and resulted in undue billing & expenditure of Rs.42,676 from February,1988 to July, 1988.”

**10-10-1995:** The Department explained that the outgoing DIG did not vacate the official residence and the incoming DIG stayed in Rest House for 2/88 to 7/88 and he used the temporary telephone. The PAC directed that it may be got verified that no bill was paid of the telephone installed at the actual official residence of the DIG during the said period. The para was kept pending.

**02-08-1999:** The Department explained that a sum of Rs.2,762 on account of Telephone Charges of residential telephone No. 65538 from the outgoing D.I.G had been recovered. So far as expenses of telephone No. 65100 installed in the Rest House amounting to Rs.42,685 were concerned. The

PTCL had filed a civil suit for the same, therefore, the matter pertaining to the expenditure of Rs.42,685 was sub judice.

The PAC directed that:-

- (i) recovery of Rs.2,762 may be got verified by Audit.
- (ii) record pertaining to telephone No. 65100 pertaining to the period of 2/88 to 7/88 may be got verified by Audit.

The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall implement the directive of the PAC dated 2 August 1999 by 30 November 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 13.22: Page 144 – Purchase and Repair of Furniture Beyond Competency Worth Rs.38,625**

Audit had observed: “As laid-down under serial No.3(b)-(ii) of Delegation of Financial Powers Rules, 1990, an officer of category-II is empowered to incur expenditure on purchase/repair of furniture upto Rs.4,000 but contrary to the above provisions, an amount of Rs.33,000 was spent on the purchase of furniture by neglecting the rule of competency through splitting up of expenditure Rs.5,625 were incurred on the repair of furniture which was again beyond the competency.”

**10-10-1995:** The explanation of the Department was accepted and **the para was settled.**

**24. Para 13.23: Page 145 – Unauthorised Expenditure of Rs.21,460 on the Installation of Intercom Phone**

Audit had observed: “Under serial No. 3(b) (xxvii)(a) of Delegation of Financial Powers Rules, 1990 the Superintendent of Police, DG Khan being the officer of category-II is empowered to incur expenditure on procurement of non-recurring items upto Rs.10,000 whereas, an expenditure of Rs.21,460 was incurred on the installation of Inter com system in SP Office. To circumvent the rule of competency the expenditure was split up. The item is also of novel nature vide FD/A/cs(A&A)-III-2/73, dated 7.5.73 & even No. dated 3.1.74 & required sanction of Finance Department before its purchase.”

**10-10-1995:** Explanation of the Department was accepted and **the para was settled.**

**25. Para 13.24: Page 145 – Income Tax Amounting to Rs.16,152 Not Recovered**

Audit had observed: “Income Tax had either not been deducted or less deducted from the contractors during the financial year 1990-91.”

**10-10-1995:** The Department explained that an amount of Rs.4,583 had been recovered and got verified by Audit. Exemption certificate in respect of Rs.5,599 was also on record. The recovery of

the remaining amount of Rs.6,010 was also underway. The Department was directed to effect the remaining recovery.

The para was kept pending for verification of exemption certificate in respect of Rs.5,599 and recovery of the balance amount of Rs.6,010

**02-08-1999:** The Department explained that a sum of Rs.6,010 on account of Income Tax had been recovered and got verified by Audit. Exemption certificate pertaining to the balance amount had also been got verified by Audit. The PAC accepted the explanation and **settled the para.**

**26. Para 13.25: Page 146 – Non-Recovery of Excess Expenditure on Residential Telephones Amounting to Rs.12,651**

Audit had observed: “The above amount was incurred on account of the payment of bills of residential telephones No.2799 and 64195 during the period from July, 1989 to December 1989 in excess of the prescribed limit i.e. 900 calls a month on residential telephones. The charges were over and above the limit prescribed by the Finance Department, Government of the Punjab in its circular letter No. FDPW-III/2-1/Tele/82/Provl. dated 10.7.88 & the excess was required to be borne by the officer himself.”

**10-10-1995:** The Department explained that telephone calls were made by the SP Khushab for the maintenance of Law & Order and in the interest of public.

The Department was directed to get the expenditure regularized by Competent Authority. The para was kept pending.

**02-08-1999:** The Department explained that excess telephone expenditure of Rs.12,651 had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**27. Para 13.26: Page 146 – Expenditure on Residential Telephone in Excess of the Prescribed Limit Rs.11,021 (Rs.9,539+Rs.1,482)**

Audit had observed: “According to instructions of the Government of Punjab, Finance Department letter No.FD(PW-11)2-1/Tele/82(prov), dated 10.7.1988, Superintendent Jail is entitled to only 400 local calls, the cost of which is borne by the Government in a month. In deviation of the above orders the amount of Rs.9,539 on residential telephone of the Superintendent headquarter (DDO) in excess of the prescribed limit in 1990-91 was paid from public exchequer although it was payable by the officer himself.

Moreover private calls to the tune of Rs.1482 were made by the officials in private capacity from office telephone No.40919 of which no recovery was effected.”

**10-10-1995:** As the recovery had been effected and verified by Audit, **the para was settled.**

# Housing, Urban Development and Public Health Engineering Department

## Overview

Total Paras	Civil	Works
<b>47</b>	<b>3</b>	<b>44</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Conditionally Settled</b>  <b>46</b>	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.	<b>Civil:</b> <b>Housing and Physical Planning Department:</b> 14.1, 14.2, 14.3	<b>3</b>
		<b>Works:</b> <b>Housing and Physical Planning Department:</b> I-A.1, I-A.2, I-B.1, II-1	<b>4</b>
		<b>FDA:</b> I-1, II-A-1, II-B-1	<b>3</b>
		<b>LDA:</b> I-A-1, I-A-2, I-B-1, I-B-2, II-A-1, II-B-1, II-B-2, III-A-1, III-A-2, III-B-1, III-C-1, III-C-2, III-D-1	<b>13</b>
		<b>MDA:</b> I-1, I-2, I-3, I-4, II-1, II-2	<b>6</b>
		<b>Public Health Engineering:</b> I-A-1, I-A-2, I-A-3, I-A-4, I-B-1, I-B-2, I-C-1, I-D-1, I-E-1, I-F-1, II-1, III-A-1, III-B-1, IV-1, V-1, V-2, V-3	<b>17</b>
<b>Paras Pended</b>  <b>1</b>	Paras pended as the Department had not taken satisfactory action.	<b>Works:</b> <b>FDA:</b> III-1	<b>1</b>

**Discussed on 18 and 25 June 2002**

## Housing and Physical Planning

## Civil Audit

### **1. Para 14.1: Page 147 – Dues Outstanding Against Defaulter Allottees Rs.378,998**

Audit had observed: “Plots were allotted in various areas development scheme in District T.T. Singh, but a sum of Rs.378,998 as given was found outstanding upto 30.6.90 against some allottees.”

**18-06-2002:** 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 30 November 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 14.2: Page 147 – Recovery of Rs.232,000 on Account of Outstanding Government Dues-ADS Schemes**

Audit had observed: “The Recovery of Government dues worth the stated amount had not been made from the defaulters and credited to Government so far.”

**18-06-2002:** 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 30 November 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 14.3: Page 148 – Non-Recovery of Rs.295,550 on Account of Water Sample Testing Fee**

Audit had observed: “The record revealed that a sum of Rs.295,550 was outstanding as recoverable from the various Deptts. on account of water sample testing fee for the period from 1986-87 to 1990-91. The Department has not taken any steps to effect the recovery. In reply to audit query it was stated efforts will be made to effect the recovery of the amount in question.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## Works Audit

### **1. Para I-A-1: Page 167 – High/Incorrect Rates – Housing and Physical Planning Division Township Lahore – Rs.47,386**

Audit had observed: “The division executed an item of mild steel grill including mild steel flat iron and paid Rs.131 per sft. instead of the admissible rate of Rs.126 per sft. This resulted in an excess payment of Rs.47,386 in October 1990.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **2. Para I-A-2: Page 167 – High/Incorrect Rates – Housing and Physical Planning Division Township Lahore – Rs.41,830**

Audit had observed: “As per agreement of a road work the contractor was required to execute an item of 2-1/2 inch carpeting. The department laid two inch carpeting instead of 2-1/2 inch, but did not reduce the rate while making payment to the contractor. This resulted in an overpayment of Rs.41,830 in January 1988.”

**25-06-2002:** 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 30 November 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 I-B-1: Page 168 – Violation of Contractual Provision – Housing and Physical Planning Division Township Lahore – Rs.42,483**

Audit had observed: “The division paid extra cost of Rs.42,483 for bitumen to the contractor from August 1987 to January 1988 in violation of the agreement. This resulted in an excess payment of Rs.42,483.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**4. Para II-1: Page 168 – Non-Recovery of Government Dues – Housing and Physical Planning Division Bahawalpur – Rs.22,200**

Audit had observed: “A division allotted a work in November 1984 to a contractor who became defaulter. The department re-allotted his balance work in June 1987 to another contractor at his risk and cost under clause 3(c) of the agreement, but did not recover the risk and cost amount of Rs.22,200 from the original contractor.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **Public Health Engineering Works Audit**

**5. Para I-A-1: Page 151 – Non-Deduction of Available Earth From the Total Quantity Paid to Contractor – Public Health Engineering Division Gujrat – Rs.39,799**

Audit had observed: “The division executed an item of manholes, but it did not deduct the area of opening of reinforced cement concrete pipe from the quantity of brick masonry of the manholes. This resulted in an overpayment of Rs.39,799 to various contractors from 1984 to 1990.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**6. Para I-A-2: Page 151 – Non-Deduction of Available Earth From the Total Quantity Paid to Contractor – Public Health Engineering Division Gujrat – Rs.20,883**

Audit had observed: “The division did not deduct a quantity of 22914 cft earth available at site from the earth brought from outside borrow-pits while making the payment to a contractor. This resulted in an overpayment of Rs.20,883 in February 1986.....The matter was discussed in the Departmental Accounts Committee in February 1992. The department admitted the recovery and promised to recover it within three months, but this was not done despite repeated reminders.”

**25-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**7. Para I-A-3: Page 152 – Non-Deduction of Available Earth From the Total Quantity Paid to Contractor – Public Health Engineering (Mechanical) Division Sheikhpura – Rs.119,212**

Audit had observed: “The division did not deduct a quantity of 154445 cft. earth available at site from the earth brought from outside borrow-pits while making the payment to different contractors. This resulted in an excess payment of Rs.119,212 between October 1986 and February 1988.....The matter was also discussed in the Departmental Accounts Committee meeting in April, 1992 and 1993. The department promised to make recovery, but this was not done.”

**25-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**8. Para I-A-4: Page 152 – Non-Deduction of Available Earth From the Total Quantity Paid to Contractor – Public Health Engineering Division Multan – Rs.89,864**

Audit had observed: “The division did not deduct a quantity of 287182 cft. earth available at site from the earth brought from outside borrow-pits while making the payment to different contractors. This resulted in an overpayment of Rs.89,864 between December 1988 and October 1989.”

**25-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**9. Para I-B-1: Page 153 – Higher/Incorrect Rates – Public Health Engineering Division Sialkot – Rs.23,628**

Audit had observed: “The division executed an item of brick masonry in storm water channel and paid the rate of Rs.852/10 meant for other than building brick work instead of the admissible rate of Rs.827/45 per hundred cft vide item 4(i), page 63 of the Composite Schedule of Rates (CSR) 1979. Incorrect application of rate resulted in an overpayment of Rs.23,628 between 1989 and 1991.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**10. Para I-B-2: Page 153 – Higher/Incorrect Rates – Public Health Engineering Division Okara – Rs.81,014**

Audit had observed: “The division executed an item of laying, cutting, jointing, testing and disinfecting asbestos pipe through a contractor and paid composite rates instead of labour rates for 6,8 and 10 inch pipe which resulted in a excess payment of Rs.81,014 in August 1990.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**11. Para I-C-1: Page 153 – Payment of Excessive Lead – Public Health Engineering Division Multan – Rs.67,747**

Audit had observed: “The division paid lead one mile instead of the admissible lead of 1/2 mile for earth work in violation of draft notice inviting tender (DNIT) and agreement, which resulted in an excess payment of Rs.67,747 in November 1991.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**12. Para I-D-1: Page 154 – Excessive Measurements – Public Health Engineering Division Rawalpindi – Rs.55,325**

Audit had observed: “The division executed the item of wet sinking from 30 feet to 40 feet instead of 20 feet to 30 feet sanctioned in the technical estimate by the Superintending Engineer in May 1990. This resulted in an overpayment of Rs.55,325 in February 1990.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**13. Para I-E-1: Page 154 – Miscalculations – Public Health Engineering Division Multan – Rs.203,985**

Audit had observed: “The division made payment of Rs.441,626 on the basis of incorrect calculation and totals instead of the payment of Rs.237,641 actually due. This resulted in an overpayment of Rs.203,985 in September 1991.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**14. Para I-F-1: Page 155 – Incorrect Price Variation – Public Health Engineering Division Khushab – Rs.25,500**

Audit had observed: “A division paid price variation on the secured material (pipe) in violation of the sub clause 9 of price variation and clause 55 of the agreement i.e. “if under the existing codal rules, secured advance is paid on all or any of the imperishable items, no price variation shall be admissible on such item(s) in respect of the quantity or quantities for which secured advance has been paid to the contractor,” which resulted in an excess payment of Rs.25,500 in 1991.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**15. Para II-1: Page 155 – Non-Recovery of Government Dues – Public Health Engineering**

**Division Sialkot – Rs.10,032**

Audit had observed: “A division granted secured advance of Rs.61,820 on bricks in May 1990 to a contractor. After recovery of Rs.14,050 the contractor became defaulter in September 1991. The department did not recover the balance amount of Rs.47,770 alongwith interest amount of Rs.10,032 from him.”

**25-06-2002:** 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.

**16. Para III-A-1: Page 156 – Theft of Government Material – Public Health Engineering Division Jhelum – Rs.24,160**

Audit had observed: “Some unknown persons stole 320 feet pipe worth Rs.24.160 in 1990. The department lodged a report with the police on 23rd September 1990. The department, however, reported the loss neither to audit as required by rule 2.34 of the Punjab Financial Rules nor placed the amount of loss in the Misc. Public Works Advances” to watch the recovery.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**17. Para III-B-1: Page 157 – Allotment of Work on Higher Rates – Public Health Engineering Division Sargodha – Rs.532,474**

Audit had observed: “The division invited tenders for laying, cutting, jointing and testing of pipe and allotted the work on composite rates instead of labour rates in violation of Chief Engineer’s instructions dated 15th October 1989 and 31st January 1990. This resulted in a loss of Rs.532,474 in May 1990.”

**25-06-2002:** 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 30 November 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 IV-1: Page 157 – Misappropriation of Government Material – Public Health Engineering Division Gujrat – Rs.111,300**

Audit had observed: “A Sub Engineer of a division did not hand over the charge of his section as required vide para 4.44 to 4.46 of the Buildings and Roads Department Code. On physical verification by the Sub Divisional Officer concerned in January 1988 mild steel pipe 742 feet worth Rs.111,300 was found short against him. Whereabouts of the material were not traceable on any record or stock account. Therefore, misappropriation of the government material cannot be ruled out.”

**25-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**19. Para V-1: Page 158 – Expenditure in Excess – Public Health Engineering Division No.1 Rawalpindi – Rs. 16,502,700**

Audit had observed: “A division incurred expenditure of Rs.16,502,700 on deposit works in excess of the deposits received from the client agency in violation of rule 7.130 of the Departmental Financial Rules. The department neither effected recovery nor placed the outstanding dues in the “Misc. Public Works Advances” to watch their recovery.”

**25-06-2002:** 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 30 November 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 V-2: Page 158 – Expenditure in Excess – Public Health Engineering Division Gujrat – Rs.41,280,885**

Audit had observed: “The division executed works on behalf of other agencies and spent Rs.41,280,885 on deposit works without receipt of funds in advance as required by rule 7.130 of the Departmental Financial Rules. This resulted in an unauthorized expenditure of Rs.41,280,885.”

**25-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**21. Para V-3: Page 159 – Expenditure in Excess – Public Health Engineering Division Rahim**

**Yar Khan – Rs.5,336,317**

Audit had observed: “The division spent Rs.5,336,317 in excess of deposits received from Municipal Committee in violation of Rule 7.130 of the Departmental Financial Rules (DFR). As per record of the department, no efforts were made to recover the outstanding dues from the agency concerned.”

**25-06-2002:** 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 30 November 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.

## **Lahore Development Authority Works Audit**

**22. Para I-A-1: Page 177 – High/Incorrect Rates – Deputy Director Electrical-I LDA (UD Wing) – Rs.64,425**

Audit had observed: “A division of the authority executed the item of providing and laying 35 mm 3-1/2 core cable and paid incorrect non schedule rate of Rs.111/83 per foot instead of the admissible rate of Rs.60.29 per foot. This resulted in an overpayment of Rs.64,425 in May 1991.”

**25-06-2002:** 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 30 November 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-A-2: Page 177 – High/Incorrect Rates – Deputy Director Roads LDA UD Wing – Rs.22,644**

Audit had observed: “A division of the authority executed the item of triple surface treatment and paid the rate of Rs.505 per hundred sft instead of resurfacing item @ Rs.80 per hundred sft in violation of the sanctioned estimate and agreement. This resulted in an overpayment of Rs.22,644 in 1990.”

**25-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**24. Para I-B-1: Page 178 – Excessive Measurements – E & M Construction Division WASA – Rs.29,240**

Audit had observed: “The division made measurements of trenches for Sewer pipe more than that what were in the design approved by the competent authority. This resulted in an overpayment of Rs.29,240 in September 1991.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**25. Para I-B-2: Page 178 – Excessive Measurements – Deputy Director Katchi Abadi Engg LDA UD Wing – Rs.131,387**

Audit had observed: “The division recorded measurements of tubular windows of mild steel channels and made excessive measurements in overall measurements in violation of the technical estimate sanctioned by the competent authority. This resulted in an overpayment of Rs.131,387 in May 1991.”

**25-06-2002:** 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 30 November 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 II-A-1: Page 179 – Services Rendered on Behalf of LM.C – Horticulture Directorate LDA Lahore – Rs.8,855,243**

Audit had observed: “A formation of the authority incurred expenditure of Rs.17,710,485 on the maintenance of green verges and parks during 1990-91. According to the decision of the meeting

held in February 1987 under the chairmanship of Minister Local Government fifty percent of the total maintenance cost amounting to Rs.8,855,243 was to be paid by the Lahore Metropolitan Corporation. The authority did not recover the outstanding dues from the corporation.”

**25-06-2002:** 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 30 November 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 II-B-1: Page 180 – Non-Recovery of Lease/Rent Money – Project Director Gulshan-e-Iqbal, LDA (UD Wing) – Rs.79,964**

Audit had observed: “The Project Director leased out parking stand of Gulshan-e-Iqbal at a cost of Rs.151,000 from 1st November 1990 to 31st October 1991. The lessee failed to deposit the dues of Rs.79,964 recoverable from him as per provision of the agreement. The authority cancelled his agreement, but did not recover the government dues which resulted in a loss of Rs.79,964.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**28. Para II-B-2: Page 180 – Non-Recovery of Lease/Rent Money – Project Director Gulshan-e-Iqbal, LDA (UD Wing) – Rs.78,654**

Audit had observed: “The Project director leased out three shops of Gulshan-e-Iqbal Park for four years from July 1988 at monthly rent of Rs.7,000. The lessees failed to deposit the installments of rent as per provision of the agreement and therefore their leases were cancelled by the authority in June 1991, but the outstanding dues of Rs.78,654 were not recovered.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the

PAC.

**29. Para III-A-1: Page 181 – Less/Non-Recovery of Income Tax, Departmental and Higher Charges – Deputy Director Buildings-II LDA (UD Wing) – Rs.312,820**

Audit had observed: “The division of the authority constructed stage on rental basis in December 1990 on the eve of 85th *Yaum-e-Tasees* of Pakistan Muslim League, but did not make recovery of rental charges along with departmental charges. Government had to sustain a loss of Rs.312,820 (295,000+17,820) in 1990.”

**25-06-2002:** 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 30 November 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.

**30. Para III-A-2: Page 181 – Less/Non-Recovery of Income Tax, Departmental and Higher Charges -Director Horticulture, LDA UD Wing – Rs.26,751**

Audit had observed: “The Division did not recover income tax of Rs.23,155 at source and fine amount of Rs.3,596 as per provision of section 50 of the Income Tax Ordinance, 1979 and agreement during 1990-92. Due to disregard to rules and agreement the government was deprived of its revenue of Rs.26,751.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**31. Para III-B-1: Page 182 – Acceptance of Higher Rates – Director Procurement & Stores WASA Lahore – Rs.71,257**

Audit had observed: “Tenders for the left over work of the scheme “Construction of Shalimar Escape Channel” in August 1990 were invited with the lowest tender of Rs.635,176. These tenders were rejected on the ground that the technical estimate was not sanctioned. The agency re-invited tenders in October 1990 when the same contractor became the lowest as in the first instance, but at a high cost of Rs.706,433 which resulted in a loss of Rs.71,257 to the government.”

**25-06-2002:** 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 30 November 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 III-C-1: Page 182 – Incorrect Non Schedule Rates – Director Horticulture, UD Wing – Rs.115,688**

Audit had observed: “A formation of the authority approved non-schedule rate of Rs.22/43 on the basis of market rates for barbed wire instead of deriving them from the Composite Schedule as required vide note 4(ii) of the preface to the Composite Schedule of Rates 1979. Incorrect rate analysis of the non-schedule item resulted in a loss of Rs.115,688 between July and September 1991.”

**25-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**33. Para III-C-2: Page 183 – Incorrect Non Schedule Rates – Director Horticulture, UD Wing – Rs.47,362**

Audit had observed: “The director, Horticulture approved incorrect non-schedule rate of Rs.52 and Rs.73 per square feet (sft) for steel jungla and steel gage and made payment to a contractor, which resulted in a loss of Rs.47,362 in July 1991.”

**25-06-2002:** 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 30 November 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 III-D-1: Page 183 – Violation of the Agreement – Director Procurement & Stores WASA LDA – Rs.200,000**

Audit had observed: “Demurrage charges were paid on account of late clearance of consignment in violation of the agreement drawn with Clearing Agent. This resulted in a loss of Rs.200,000 in September 1991.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## Faisalabad Development Authority Works Audit

### **35. Para I-1: Page 191 – Excess Payments to Contractors – Deputy Director Road FDA (UD Wing) – Rs.27,453**

Audit had observed: “The division executed an item of earth work excavation in sedimentation tank and paid the rate of Rs.163/35 per thousand cft (for excavation under foundation of culverts/ bridges) instead of the admissible rate of Rs.124/05 per thousand cft vide item No.10(i) page 28 of the Composite Schedule of Rates (CSR) 1979. This resulted in an overpayment of Rs.27,453 in October 1988.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **36. Para II-A-1: Page 191 – Non-Recovery of Secured Advance – Deputy Director No.1 UD Wing – Rs.117,913**

Audit had observed: “Secured advance of Rs.117,913 was paid on reinforced cement and asbestos column pipes in July 1987 to a contractor who became defaulter in August 1988. The authority did not recover the outstanding advance of Rs.117,913 alongwith interest amount of Rs.45,240 @ 12 percent as per clause 7 of the Indenture Bond and Rule 7.34 of the Departmental Financial Rules. The authority did not make recovery upto September 1991.”

**25-06-2002:** 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.

### **37. Para II-B-1: Page 192 – Recovery of Hire Charges – Deputy Director (P&S) WASA FDA – Rs.228,900**

Audit had observed: “A machine was let out between September 1989 and May 1991 to different contractors, but did not make recovery of hire charges in advance as required by para 4.16(b)(v) of the Buildings & Roads Department Code. Government had been deprived of revenue of Rs.228,900 due to non-compliance of rules in letter and spirit.”

**25-06-2002:** 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.

**38. Para III-1: Page 192 – Loss to Government – Deputy Director Division-II (Director (II) WASA) – Rs.4,522,603**

Audit had observed: “WASA, FDA awarded a work “construction of western domestic sewer treatment” at a cost of Rs.37,688,363 in December 1990 to a contractor who failed to start the work despite the lapse of one and a half year. The agency re-allotted the work in June 1992 to another contractor on the same rates instead of forfeiting Rs.4,522,603 on account of earnest money (Rs.753,767) and the Performance Bond (Rs.3,768,836) out rightly.”

**25-06-2002:** 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.

## **Multan Development Authority Works Audit**

**39. Para I-1: Page 201 – Excessive Measurements/Rates – Executive Engineer Division No.II-M. D.A – Rs.412,500**

Audit had observed: “The estimate sanctioned by the Chief Engineer in May 1990 provided for construction of 185 manholes, but the division made payment of 285 manholes in violation of the revised sanctioned estimate. This resulted in an overpayment of Rs.412,500 to a contractor in March 1991.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**40. Para I-2: Page 201 – Excessive Measurements/Rates – Executive Engineer Division No.II-M. D.A – Rs.134,184**

Audit had observed: “The division adopted incorrect formula for calculation of the quantity of the item of dry brick stone ballast, cement concrete 1:6:2 and earth work excavation for circular masonry of manholes in violation of the analysis appended with the technically sanctioned estimate. This

resulted in an overpayment of Rs.134,184 to a contractor in 1991.”

**25-06-2002:** 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 30 November 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.

**41. Para I-3: Page 202 – Excessive Measurements/Rates – Division No.V M.D.A – Rs.36,084**

Audit had observed: “Separate payment for providing and fixing of cast iron (C.I) specials for mild steel (M.S) blind pipe, was made which was not permissible as per item 12 page 188 of the Composite Schedule of Rates (SCR) 1979. This resulted in an overpayment of Rs.36,084 to a contractor in September 1990.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**42. Para I-4: Page 202 – Excessive Measurements/Rates – Executive Engineer Division No.II-M. D.A – Rs.29,719**

Audit had observed: “Payment of triple surface treatment instead of resurfacing was made in violation of the sanctioned technical estimate. This resulted in an overpayment of Rs.29,719 to a contractor in April 1990.”

**25-06-2002:** 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 30 November 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.

**43. Para II-1: Page 203 – Non-Adjustment of Advance Payments – Executive Engineer Division No.V M.D.A – Rs.2,612,123**

Audit had observed: “Advance payments of Rs.2,612,123 were made to different agencies/

officers from June 1978 to March 1990, but these advances had not been adjusted since long. In absence of non-adjustment of the advance and non-submission of vouched accounts, it is not known whether the advances were spent on the object for which they were given.”

**25-06-2002:** 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 30 November 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.

**44. Para II-2: Page 204 – Non-Adjustment of Advance Payments – Director Finance MDA – Rs.197,388**

Audit had observed: “Advance payments of Rs.197,388 were made to different officers/agencies from June 1986, but these advances had not been adjusted since then.”

**25-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

# Industries and Mineral Development Department

## Overview

<b>Total Paras</b>	<b>Commercial</b>
<b>37</b>	<b>37</b>

## Abstract

<b>Status</b>	<b>Decision</b>	<b>Para Nos.</b>	<b>Total</b>
<b>Paras Noted</b>  <b>16</b>	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews.	<b>Commercial:</b> 3(xii), 3(xiii), 3(xiv), 3(xv), 3(xvi), 3(xvii), 54, 56, 57, 58, 59, 64, 69, 72, 77, 84	<b>16</b>
<b>Paras Conditionally Settled</b>  <b>21</b>	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.	<b>Commercial:</b> 55, 60, 61, 62, 63, 65, 66, 67, 68, 70, 71, 73, 74, 75, 76, 78, 79, 80, 81, 82, 83	<b>21</b>

**Discussed on 26 June 2002**

## Commercial Audit

### **1. Para 3: Page 5-6 – Non-Compilation of Accounts**

(xii) Punjab Government Printing Press, Lahore 1983-84 to 1991-92

- (xiii) Provincial Stationary Office Punjab, Lahore 1989-90 to 1991-92
- (xiv) Government Weaving and Finishing Centre, Shahdara, Lahore 1988-89 to 1991-92
- (xv) Government Wool Spinning and Weaving Development cum-Training Centre, Jhang 1989-90 to 1991-92
- (xvi) Punjab Mineral Development Corporation, Lahore 1989-90 to 1991-92
- (xvii) Punjab small Industries Corporation, Lahore 1991-92

**26-06-2002: The PAC noted** the contents of the Audit para and directed that the Departments shall 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 54: Page 41 – Working Results of Government Printing Press, Bahawalpur for the Years 1990-91 and 1991-92**

**26-06-2002:** The Committee **noted** the working results.

## **3. Para 55: Page 41 – Increase in Cost of Work-in-Progress**

Audit had observed: “Work-in-progress amounted to Rs.1.488 million on June 30, 1990 Rs.2.492 million as on June 30, 1991 and Rs.4.110 million as on June 30, 1992. This increasing trend needs to be checked and work-in-progress finalized early.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **4. Para 56: Page 41 – Non-Maintenance of Books of Accounts on Commercial Pattern**

Audit had observed: “The Press has not so far maintained books of account on commercial pattern. The accounts for the year under review have been prepared on the basis of various statements. Hence, authenticity of the figures appearing in these accounts is doubtful. The need for the maintenance of books of account on commercial pattern is stressed upon the Management.”

**26-06-2002:** The Committee **noted** the para as it had already forwarded its recommendations to the Finance Department with reference to the Report of the PAC for the year 1996-97.

**5. Para 57: Page 42 – Working Results of Stationery Depot, Punjab Government Press, Bahawalpur for the Year 1990-91 and 1991-92**

**26-06-2002:** The Committee **noted** the working results.

**6. Para 58: Page 42 – Non-Maintenance of Books of Accounts**

Audit had observed: “The books of account on commercial pattern have not so far been prepared. The maintenance of books of account on commercial pattern is again stressed.”

**26-06-2002:** The Committee **noted** the para as it had already forwarded its recommendations to the Finance Department with reference to the Report of the PAC for the year 1996-97.

**7. Para 59: Page 43 – Working Results of Government Weaving and Finishing Centre, Shahdara for the Year 1987-88**

**26-06-2002:** The Committee **noted** the working results.

**8. Para 60: Page 43 – Lower Rate of Interest**

Audit had observed: “The net Government capital account as on June 30, 1988 was Rs.61,013,892 and the interest shown on this amount was only Rs.3,544,626 which was only 5.81%. Audit is of the view that interest is charged at a lower rate than the prevailing market rate which is about 14%. This requires clarification/justification.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**9. Para 61: Page 43 – Incorrect Preparation of Accounts**

Audit had observed: “The accounts were not prepared correctly. No provision of gratuity was made during the year under review on the basis that no payment was involved. Actually the provision

of gratuity was required to be made during each year and the payment to workers was to be made from the Gratuity Reserve Account which is to be shown properly. The balances under various heads of account were also not reconciled. Every effort was made to recast the accounts but due to non-cooperation of the Department the accounts could not be recast. Necessity of preparation of accounts of subsequent years in proper form is stressed upon the Management.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **10. Para 62: Page 44 –Difference in Value of Sundry Creditors**

Audit had observed: “Sundry creditors stood at Rs.2,256,528 as on June 30, 1988 whereas according to the details provided to Audit these creditors stood at Rs.2,083,815. This needs to be reconciled.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **11. Para 63: Page 44 – Details About Sundry Debtors Not Provided**

Audit had observed: “The sundry debtors stood at Rs.172,713 on June 30, 1988. No details of the debtors and their ages were provided to Audit. The needful may be done now.”

**26-06-2002:** 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 taken shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **12. Para 64: Page 45 – Working Results of Punjab Industrial Development Board for the Year 1991-92**

**26-06-2002:** The Committee **noted** the working results.

### **13. Para 65: Page 45 – Non-Action on Advice Caused loss – Rs.14.117 Million**

Audit had observed: “Except for two sugar mills, the Board has disinvested all its units after incurring heavy losses. The Government of Punjab has also advised the Board on February 9, 1991 to abandon all the new projects and to privatize both the sugar mills. The Board has not acted upon the advice of the Government of Punjab and has charged management fee of Rs.14.117 million from the two sugar mills to meet its administrative expenses. This is not only an unnecessary burden on the sugar mills, but the existence of the Board to supervise only two sugar mills is not justified in any way. Existence of the Board therefore needs to be reviewed at the appropriate level.”

**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.

### **14 Para 66: Page 45 – Increase in Value of Work-in-Progress**

Audit had observed: “The capital work-in-progress increased from Rs.34.221 million on June 30,1991 to Rs.35.761 million on June 30, 1992. The incurring of further expenditure of Rs.1.540 million on the projects which are to be abandoned as per Government orders needs justification.”

**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.

### **15. Para 67: Page 46 – Non-Clearance of Overdraft – Rs.0.518 Million**

Audit had observed: “An overdraft of Rs.0.518 million was appearing in the Balance Sheet of the Board on June 30, 1992 which was outstanding since 1985-86. The overdraft was stated to have not been cleared, despite availability of funds, due to certain dispute with the Muslim Commercial Bank.

Since the overdraft carries higher rate of interest than the rate at which interest is being earned by the Board on its short-term and fixed deposits, the dispute needs to be resolved and liability discharged as early as possible.”

**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.

### **16. Para 68: Page 46 – Non-Disposal of Assets of Projects**

Audit had observed: “The Board has incurred Rs.35.761 million on its 12 new projects up to June 30, 1992 which according to the decision of the Prime Minister/Government of the Punjab are to be abandoned due to inefficiency of the Board/paucity of funds. The assets of these projects, if any, need to be disposed of and net loss written off under the orders of the Competent Authority.”

**26-06-2002:** Since the Board had already been wound up, **the Committee settled the para subject to the following direction–**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **17. Para 69: Page 47 – Working Results of Kamalia Sugar Mills Limited for the Year 1991-92**

**26-06-2002:** The Committee **noted** the working results.

### **18. Para 70: Page 48 – Inordinate Delay in Capitalization of Stores**

Audit had observed: “Stores held for capital expenditure amounted to Rs.1.998 million as on September 30, 1992, included stores valuing Rs.1.784 million purchased during the period from 1981 to 1988. Abnormal delay in capitalization of these imported spares needs to be justified.”

**26-06-2002:** Since the Sugar Mills 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.

### **19. Para 71: Page 48 – Retention of Surplus Cash Balances Caused Loss of Interest Income**

Audit had observed: “Cash and bank balances in the current account amounted to Rs.12.346 million as on September 30, 1992 and increased from Rs.1.621 million in the previous year. Retention of huge surplus cash balances in current account deprived the company of considerable amount of interest income. Proper cash management to obtain maximum interest income needs to be ensured.”

**26-06-2002:** Since the Sugar Mills 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.

### **20. Para 72: Page 49 – Working Results of Pattoki Sugar Mills Limited for the Year 1991-92**

**26-06-2002:** The Committee **noted** the working results.

### **21. Para 73: Page 50 – Increase in Inventory Stores**

Audit had observed: “The inventory of stores and spares valuing Rs.32.573 million as on September 30, 1991 increased to Rs.33.899 million as on September 30, 1992. The accumulation of heavy inventory of stores and spares had led to provision of Rs.6.214 million for slow-moving items as on September 30, 1992. The heavy increase in inventory and increase of 367 slow-moving items valuing 5.058 million which were procured 3 years ago, i.e., during 1988-89, needs to be explained and justified. Strict control over inventory is also stressed upon the management.”

**26-06-2002:** Since the Sugar Mills 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.

### **22. Para 74: Page 50 – Non-Recovery of Advances**

Audit had observed: “Advances to the extent of Rs.2.028 million were outstanding against different cane growers which pertains to 1980-81 to 1991-92. The non-recovery of these advances has rendered the advances doubtful for recovery. Therefore, early recovery of advances is stressed

upon the management.”

**26-06-2002:** Since the Sugar Mills 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.

### **23. Para 75: Page 50 – Non-Recovery of Advances**

Audit had observed: “Advances to suppliers amounted to Rs.4.474 million including doubtful debts of Rs.110,674 were outstanding as on September 30, 1992. The reason/circumstances leading to non-realization of long outstanding dues need to be explained and steps taken for an early recovery/realization.”

**26-06-2002:** Since the Sugar Mills 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.

### **24. Para 76: Page 50 – Non-Investment From Accounts**

Audit had observed: “Cash at banks on current account increased to Rs.6.848 million as on September 30, 1992 as against Rs.3.910 million as on September 30, 1991. The huge accumulation in current account and its non-investment in schemes of higher earning needs to be explained and justified.”

**26-06-2002:** Since the Sugar Mills 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.

### **25. Para 77: Page 51 – Working Results of Punjab Small Industries Corporation for the Year 1990-91**

**26-06-2002:** The Committee **noted** the working results.

**26. Para 78: Page 52 – Non-Charging of Interest on Government Loans**

Audit had observed: “The Management did not charge the interest on Government loans to its expenses during the year 1990-91 as against the interest on Government loan for Rs.13.586 million in 1989-90. The mark up expenses also decrease to Rs.0.615 million in current year from Rs.13.344 million. Both these expenses i.e., interest and mark up on Government loan were not charged to the expenses on the plea that loans were recycled for Rural/Industrialization Programme and ‘self-employment’, although the Government of Punjab authorized to recycle the outstanding loan subject to condition that interest due to the Provincial Government on principal amount of loan being utilized for the Rural Industrialization Scheme is regularly paid to the Government. Had the management paid/provided for the interest payable to the Government of Punjab the net loss of the Corporation would have increased to the same extent. Non-charging the interest payable to Government of Punjab on its outstanding loan needs to be justified.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**27. Para 79: Page 52 – Particulars of Assets Not Provided**

Audit had observed: “Roads and bridges costing Rs.3.380 million and sewerage and water supply costing Rs.2.571 million were deleted from the assets of the Corporation during the year 1990-91. The names of the units to which these assets pertaining may be intimated and adjustment of the assets to this extent need to be justified.”

**26-06-2002:** 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 taken shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**28. Para 80: Page 52 – Non-Profitable Investment**

Audit had observed: “The Corporation invested an amount of Rs.6 million as PSIC Equity in the LDA Plaza. Since long but return on this investment was not received therefrom. The investment

which bears no return needs to be justified.”

**26-06-2002:** 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 30 November 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 81: Page 52 – Non-Provision of Year-Wise Statement of Outstanding Loans**

Audit had observed: “The loans amounting to Rs.224.168 million and Rs.4.447 million were disbursed up to June 30, 1991 under RIP Scheme and RILF Scheme respectively. The year-wise statement of outstanding loans needs to be prepared and recovery in chronic cases as and where due may be made at the earliest to avoid turning these loans into bad debts.”

**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.

**30. Para 82: Page 52 – Disallowing the Audit of World Bank Loan**

Audit had observed: “The liabilities of Rs.24.368 million and Rs.52.140 million were appearing on the liability side of the Balance Sheet as on June 30, 1991 under the heads of IDA-30 pak loan and short term loan. The contra entries of these loans also existed on the asset side of the Balance Sheet. The PSIC authorities contended that Corporation had no role in the disbursement recovery of the loan and as such no responsibility lay with them. On this assertion the Corporation did not allow Government Audit to conduct the audit of World Bank loan and resultantly its certificate could not be issued to Donor Agency by this office. This contention is not correct as the amount of IDA loan is appearing in the books of the Corporation. This needs elaboration/justification.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**31. Para 83: Page 52 – Reconciliation of Investment Account**

Audit had observed: “The Provincial Government Investment Account appearing in the accounts

as on June 30, 1991 need to be reconciled with Government of Punjab for certificate to this effect/ provided to Audit.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **32. Para 84: Page 52 – Non-Investment of Current Account**

Audit had observed: “Cash held in current account amounted to Rs.86.065 million in the year 1990-91 as against Rs.50.751 million in the year 1989-90 showing an increase of Rs.35.314 million (69.58%) over the previous year. Had the amount kept in current account been invested by acquiring marketable securities i.e., as Government. Treasury Securities Short Terms Deposit Management could earn handsome profit and meet its working capital requirements.”

**26-06-2002:** The Committee **noted** the para.

# Irrigation and Power Department

## Overview

Total Paras	Civil	Works	Commercial
108	6	92	10

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  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.	<b>Commercial:</b> 85, 86	2
Paras Finally Settled  10	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 15.2, 15.3, 15.6, 15.5 (Transferred to the Agriculture Department)	4
		<b>Works:</b> I-A-9, I-C-1, I-D-6, I-E-9, II-A-1, II-A-2.	6
Paras Conditionally Settled  92	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.	<b>Civil:</b> 15.4	1
		<b>Works:</b> I-A-3, I-A-4, I-A-18, I-B-1, III-A-15, I-A-1, I-A-2, I-A-5, I-A-6, I-A-7, I-A-8, I-A-10, I-A-11, I-A-12, I-A-13, I-A-14, I-A-15, I-A-16, I-B-2, I-B-3, I-B-4, I-B-5, I-B-6, I-D-1, I-D-2, I-D-3, I-D-4, I-D-5, I-D-7, I-E-1, I-E-2, I-E-3, I-E-4, I-E-5, I-E-6, I-E-7, I-E-8, I-E-10, I-E-11, I-E-12, I-E-13, I-E-14, I-F-1, II-A-3, II-A-4, II-B-1, II-B-2, II-B-3, II-B-4, II-C-1, II-D-1, III-A-1, III-A-2, III-A-3, III-A-4, III-A-5, III-A-6, III-A-7, III-A-8, III-A-9, III-A-10, III-A-11, III-A-12, III-A-13, III-A-14, III-A-16, III-B-1, III-B-2, III-C-1, III-D-2, IV-A-1, IV-A-2, IV-B-1, V-1, V-2, V-3, V-4, V-	83

		5, V-6, V-7, VI-1, VI-2, VI-3	
		<b>Commercial:</b> 87, 88, 89, 90, 91, 92, 93, 94	<b>8</b>
<b>Paras Pended</b>	Paras pended as the Department had not taken satisfactory action.	<b>Civil:</b> 15.1	<b>1</b>
<b>4</b>		<b>Works:</b> I-A-17, I-A-19, III-D-1.	<b>3</b>

**Discussed on 11 October 1995, 15 February 1999, 18, 24, 25 and 26 June 2002**

## Civil Audit

### **1. Para 15.1: Page 149 – Irregular Appointment and Drawal of Rs.314,204**

Audit had observed: “As per pay bills the Executive Engineer, Irrigation, Bahawalpur Canal Division had appointed 41 class-IV govt. servants during the period from 24.9.89 to 6.3.90 when ban was imposed by Chief Minister, Punjab vide circular No.US(I.) (I&C)/1-32/89, dated 6.2.89 & the stated amount had been irregularly paid to them as pay and allowances.”

**11-10-1995:** The Department explained that the 41 class IV employees were retired and keeping in view the urgency of staff the vacant posts were filled in by recruitment of the new personnel.

The Public Accounts Committee observed that recruitment was made during the ban and therefore, all the appointments were irregular. The Department was directed to recover the amount from the Appointing Authority.

The Department was directed to lodge the claim immediately without waiting for the PAC minutes. The Finance Department was also directed to take action against the District Accounts Officer concerned who passed the salary bills of the irregular appointees. The para was kept pending.

**18-06-2002:** On consideration of the facts of the case, the Committee directed that the Department shall **submit compliance report** in respect of the directive of the PAC dated 11 October 1995 within 15 days for consideration by the Committee.

### **2. Para 15.2: Page 149 – Irregular Drawal of Pay of Adhoc Employees Amounting to Rs.145,665**

Audit had observed: “The executive Engineer ISR Project (Irrigation), Bahawalpur had appointed 16 class-IV employees on adhoc basis. Even on expiry of adhoc period their pay was drawn which was strictly irregular resulting in an overdrawal of payments to the stated extent.”

**11-10-1995:** The Department explained that extension in the ad hoc appointments by 6 months

had since been approved by the Chief Minister. **The para was settled.**

### **3. Para 15.3: Page 150 – Irregular Encashment of L.P.R. Amounting to Rs.113,574**

Audit had observed: “The stated amount was drawn as encashment of LPR of twenty four non-gazetted employees although they had not completed 26 years service in terms of Finance Department’s circular No.FD-SR-III-1-53/83, dated 12.5.90”

**11-10-1995:** The Department explained that payment of encashment of L.P.R. had been made to the employees before the issuance of the Finance Department’s clarification dated 15-5-1990.

The explanation of the Department was accepted and **the para was settled.** The Public Accounts Committee declared that this decision would not be quoted as precedent in any other case.

### **4. Para 15.4: Page 150 – Expenditure Beyond Ceiling on Residential Telephone – Rs.31,459**

Audit had observed: “Expenditure to the tune of Rs.31,459 on residential telephone provided to the officers exceeded the prescribed limit to the stated amount in term of FD(PW-II)2-1/Tele./80 (Provl.), dated 10.7.1988. The department did not respond to this office advance para sent with the D. O. dated 20.6.92. the excess charge may be recovered from the officers concerned & refunded to Government.”

**11-10-1995:** The para was kept pending for recovery within three months.

**18-06-2002:** 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 11 October 1995 by 30 November 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 15.5: Pages 150-151 – Suspected Misappropriation of 145 Nakkas Valuing Rs.20,594**

Audit had observed: “A number of 145 Nakkas valuing Rs.20,594 were not accounted for by the recipient in the main store/stock register in contravention of Rule 15.4 of PFR Vol.I.”

**11-10-1995:** The Department explained that this para was relating to the Agriculture Department and had since been transferred to the said Department. As such the **para was deleted from here.**

### **6. Para 15.6: Page 151 – Irregular Payment of Residential Telephone Charges Out of Contingencies Over and Above the Prescribed Limit Amounting to Rs.15,888**

Audit had observed: “The telephone bills of residential telephones in excess of prescribed limit were paid resulting in irregular payment of Rs.15,888.”

**11-10-1995:** The explanation of the Department was accepted and **the para was settled.**

## **Works Audit**

**7. Para I-A-1: Page 105 – Excessive Measurement – Central Bari Doab Canal Division Lahore – Rs.200,356**

Audit had observed: “A division executed the item of brick lining and measured the thickness of brick for 0.40 foot instead of 0.375 foot in violation of note 3 page 125 of the Composite Schedule, 1979 and administrative department’s letter of 16th July 1988. This resulted in an overpayment of Rs.200,356 between May and July 1991.”

**24-06-2002:** 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.

**8. Para I-A-2: Page 105 – Excessive Measurement – Kasur Depalpur Canal Division Kasur – Rs.41,619**

Audit had observed: “The division executed the item of brick lining and paid the thickness of brick .40 foot instead of the admissible thickness of 0.375 foot vide note 3 page 125 of the Composite Schedule of Rates, 1979 and administrative department’s letter dated 16 July 1988. This resulted in overpayment of Rs.41,619 in January 1991.”

**24-06-2002:** 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.

**9. Para I-A-3: Page 106 – Excessive Measurements – Rs.29,217**

Audit had observed: “The division executed the item of brick lining and paid the thickness of brick for 0.38 instead of the admissible thickness of .375 foot foot as per note 3 page 125 of the Composite Schedule of Rates (CSR), 1979. This resulted in an excess payment of Rs.29, 217 in February, 1991.”

**15-02-1999:** The Department explained that full recovery had since been made. The PAC **settled the para subject to verification of recovery by Audit.**

**10. Para I-A-4: Page 106 – Excessive Measurements – Rs.25,508**

Audit had observed: “The division executed the item of brick masonry and recorded excessive measurements of .40 and .70 foot instead of the correct measurements of .375 and .625 feet in

violation of note 3, page 125 of the Composite Schedule of Rates (CSR), 1979 and administrative department's instructions issued vide letter No DD (P&E)-Irrigation/-6-86 dated 16<sup>th</sup> July, 1988. This resulted in an overpayment of Rs.25, 508 in March, 1991.”

**15-02-1999:** The Department explained that the total quantity of brick masonry 1:3 in foundation viz 23743.21 cft paid upto 8th running bill had been reduced to 22575.74 cft in the 9th & final bill. As such the excess paid amount of Rs.15,261.32 stood automatically recovered. So far as the quantity of 421.87 cft amounting to Rs.10,238 was concerned the same was measured with depth of 0.70 & 0.65 and had correctly been paid.

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

**11. Para I-A-5: Page 106-107 – Excessive Measurement – Khanwah DCC Division Sahiwal – Rs.37,924**

Audit had observed: “The division executed the item of brick lining and measured the thickness of brick for 0.380 foot instead of 0.375 foot in violation of note 3 page 125 of the Composite Schedule and administrative department's letter of 16 July 1988. This resulted in an overpayment of Rs.37,924 in May 1991.”

**24-06-2002:** 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.

**12. Para I-A-6: Page 107 – Excessive Measurement – Lower Bari Doab Canal Division Khanewal – Rs.262,146**

Audit had observed: “The division executed the item of brick lining measuring 9 inch x 4.5 inch x 3 inch in 1:3 cement sand mortar on slope and bed and recorded measurement of .40 foot by rounding the figure of 0.375 foot in violation of note 3 page 125 of the Composite Schedule of Rates, 1979 and specification No.21.1(29), volume-I, part-II for execution of works. This resulted in an overpayment of Rs.262,146 in March 1991.”

**24-06-2002:** 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.

**13. Para I-A-7: Pages 107-108 – Excessive Measurement – Multan Canal Division Multan – Rs.98,316**

Audit had observed: “The division measured and paid the thickness of brick for 0.40 foot instead of admissible thickness of 0.375 foot, in violation of note 3 page 125 of the Composite Schedule of Rates, 1979, which resulted in an overpayment of Rs.98,316 in April 1991.”

**24-06-2002:** 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.

**14. Para I-A-8: Page 108 – Excessive Measurements – Rs.40,058**

Audit had observed: “The division measured and paid the thickness of brick for .38 and .40 foot instead of the actual and nominal thickness of 0.375 foot in violation of note 3, page 125 of the Composite Schedule of Rates (CSR), 1979. This resulted in an overpayment of Rs.40,058 in August and November 1991.”

**15-02-1999:** The Department explained that a sum of Rs.30,760 had been recovered and all out efforts were under way to recover the balance amount of Rs.9,298.

The PAC kept the para pending for balance recovery and its verification by Audit.

**24-06-2002:** 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 15 February 1999 by 30 November 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-A-9: Page 108 – Excessive Measurements – Rs.43,789**

Audit had observed: “The division executed and measured the items of brick lining and brick work of top bund for 0.380 foot and 0.63 foot respectively instead of their actual thicknesses of 0.375 foot and 0.625 foot. This resulted in an overpayment of Rs.43,789 in September, 1991.”

**15-02-1999:** The Department explained that full recovery had been made and got verified by Audit.

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

**16. Para I-A-10: Page 109 – Excessive Measurement – Balloki Sulemanki Link Division Lahore – Rs.110,180**

Audit had observed: “The division carted 105478 cft. stone and paid/measured and filled the same quantity in wire crates area of 228592 sft. instead of the admissible quantity of 95888 cft. and 207758 sft. The Department did not apply reduction factor on completed/finished item of work as per

rate analysis approved by the Standing Rates Committee vide item 19(i) page 132 of the Composite Schedule or Rates, 1979. This resulted in an overpayment of Rs.110,180 in April 1991.”

**24-06-2002:** 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 30 November 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 I-A-11: Page 109 – Excessive Measurement – Upper Chenab Canal Division Sheikhupura – Rs.252,499**

Audit had observed: “The division measured and made payment for a quantity of 898447 cft. earth instead of the quantity of 587000 cft sanctioned in the estimate. This resulted in an overpayment of Rs.252,499 in June 1991.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**18. Para I-A-12: Pages 109-110 – Excessive Measurement – Upper Chenab Canal Division Sheikhupura – Rs.103,196**

Audit had observed: “The division measured and paid 114643 cft. earth on account of rehandling in violation of sanctioned estimate. This resulted in an excess payment of Rs.103,196 in June 1991.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**19. Para I-A-13: Page 110 – Excessive Measurements – Rs. 88,241**

Audit had observed: “The division carted stone of 1554894 cft. from store and paid the same quantity on account of item of stone dumping with and without boat and filling stone in crates as completed/finished item without reduction factor in violation of items 15 & 16 page 132 of the

Schedule of Rates, 1979. This resulted in an overpayment of Rs.88,241 in December 1990.”

**15-02-1999:** The Department explained that the matter had been thrashed out and concluded that 10% deduction before the dumping of stone was not applicable in this case, since 6% deduction had already been made at query for stocks of stone before the cartage to the Division concerned. Further 10% deduction would raise the total deduction to 16% which would be quite incompatible with the actual work done at site. Also there was no provision in CSR and book of specification for such deduction.

The PAC directed the Department to produce the final bill and other relevant record for verification by Audit whether the payment was made according to the Government instructions or otherwise. The para was kept pending.

**24-06-2002:** Reiterating the decision of the PAC dated 15 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**20. Para I-A-14: Pages 110-111 – Excessive Measurement – Lower Bari Doab Canal division Balloki – Rs.46,260**

Audit had observed: “The division executed the item of earth work through manual labour and deducted 3 percent shrinkage allowance instead of 10 percent as per note 2(a) page 25 of the Composite Schedule of Rates (CSR), 1979. This resulted in an excess payment of Rs.46,260 in February 1987.”

**24-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**21. Para I-A-15: Page 111 – Excessive Measurement – Headworks Division Sulemanki – Rs.35,642**

Audit had observed: “For dumping of stone without and with boat within three chains, the analysis of rates vide items 15(a) and 16(a) page 132 of the Composite Schedule of Rates 1979 provided that a quantity of 100 cft was to be paid against a measurement of the loose quantity of 110 cft. The Department made payment of loose quantity of 320644 cft. as the finished instead of 291494 cft which resulted in an overpayment of Rs.35,642 in September 1991.”

**24-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**22. Para I-A-16: Pages 111-112 – Excessive Measurement – Shujabad Canal Division Multan – Rs.169,711**

Audit had observed: “According to analysis of rates for items “providing and laying stone pitching” and “providing and dumping stone without boat” approved by the Standing Rates Committee (SRC) vide items No.29(a) page 134 and 15(a) page 132 of the Composite Schedule of Rates (CSR) 1979, 120 cft. and 110 cft. stone was required for 100 cft completed/finished work. Quantities of stone in stacks for the items of pitching and dumping without boat were measured as 143656 and 605510 cft while making the payment for completed/finished quantity, the items of making the payment for completed//finished quantity, the Department paid the finished quantities of 143656 and 605510 cft instead of quantity of 119,713 and 550463 cft in violation of the analysis of rates referred to above. This resulted in an overpayment of Rs.169,711 in June and September 1991.”

**24-06-2002:** 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 30 November 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-A-17: Page 112 – Excessive Measurement – Muzaffargarh Canal Division Muzaffargarh – Rs.1,183,473**

Audit had observed: “According to analysis of rate of the Standing Rates Committee vide item No.15(a) page 132 of the Composite Schedule of Rates, 1979 for dumping stone without boat 110 cft loose stone was required for 100 cft finished item of stone dumping. The Department carted 5619087 cft stone and paid the same quantity as the completed item without applying deduction factor as required vide item 15(a) page 132 of the Schedule of Rates, 1979. This resulted in an overpayment of Rs.1,183,473 in June 1991.”

**24-06-2002:** The Committee decided that the facts of the case required further examination. For the purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

**24. Para I-A-18: Page 112-113 – Excessive Measurements – Rs.20,390**

Audit had observed: “The division executed the item of brick lining and recorded incorrect measurements of 1755.60 cft instead of the admissible quantity of 866.25 cft, which resulted in an overpayment of Rs.20,390 in May, 1991.”

**15-02-1999:** The Department explained that recovery of Rs.20,390 had already been effected and verified by Audit. Disciplinary action against the Sub Engineer concerned had also been taken.

The PAC **settled the para subject to verification** of disciplinary action having been taken against the concerned Sub Engineer, by Audit.

### **Special Directive**

The PAC directed that the Finance Department may form a committee consisting of (i) D.G. Accounts (Works), (ii) C.E. of Irrigation & Power Department, (iii) a representative of PHE Department, (iv) a representative of Communications & Works Department and (v) a representative of the Finance Department. The said committee may examine the operation of Suspense Account and submit a comprehensive report on the operation and maintenance of this Head to PAC-I & PAC-II for further consideration. The Additional Secretary, Finance (Monitoring) may coordinate and arrange the meetings of the said committee.

### **25. Para I-A-19: Page 113 – Excessive Measurement – Command Water Management Project Division Lahore – Rs.953,779**

Audit had observed: “The division made payment for concrete lining on slope for the full width of formation without deducting the area covered by the concrete lining in the bed, which resulted in an overpayment of Rs.953,779 in 1991.”

**24-06-2002:** 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.

### **26. Para I-B-1: Page 113 – Non-Deduction of Available Earth – Rs.43,170**

Audit had observed: “The division did not deduct the quantity of 26300 cft earth available at site from the quantity of 712000 cft earth brought from outside borrow pits. This resulted in an overpayment of Rs.43,170 in November, 1991.”

**15-02-1999:** The Department explained that actual overpaid amount was Rs.37,440 and not Rs.43,170 as pointed out by Audit. The overpaid amount of Rs.37,440 had been recovered.

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

### **27. Para I-B-2: Page 114 – Non-Deduction of Available Earth – Central Bari Doab Canal Division Lahore – Rs.30,550**

Audit had observed: “The division did not deduct the quantity of 28297 cft. earth available at site from the quantity of 268049 cft. brought from outside borrowpits. This resulted in an overpayment of

Rs.30,550 between September 1991 and February 1992.”

**24-06-2002:** 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 30 November 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-B-3: Page 114 – Non-Deduction of Available Earth – ISRP-IV Division Faisalabad – Rs.106,140**

Audit had observed: “The division did not deduct the quantity of 103759 cft earth available at site from the quantity of 372702 cft earth brought from outside borrowpits. This resulted in an excess payment of Rs.106,140 in September 1991.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**29. Para I-B-4: Page 114 – Non-Deduction of Available Earth – Eastern Bar Division Pakpattan – Rs.29,790**

Audit had observed: “The division did not deduct the quantity of earth obtained from Irrigation channel from the earth brought from outside borrowpits, which resulted in an overpayment of Rs.29,790 in June 1991.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**30. Para I-B-5: Page 115 – Non-Deduction of Available Earth – Rs.25,257**

Audit had observed: “The division executed the item of berm cutting and received a quantity of 139510 cft. but this quantity of available earth was not deducted from the quantity of 151069 cft. brought from outside. This resulted in an overpayment of Rs.25,257 in June 1991.”

**15-02-1999:** The Department explained that full recovery of Rs.25,257 had been made from the

contractor.

The PAC directed the Department to produce all the relevant record about the stated recovery to Audit in support of Departmental contention for verification. Disciplinary action may also be taken against the defaulting officer who made the overpayment. The para was kept pending.

**24-06-2002:** Reiterating the decision of the PAC dated 15 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **31. Para I-B-6: Page 115 – Non-Deduction of Available Earth – Rs.172,170**

Audit had observed: “The division did not deduct 956213 cft earth available at site from berm unloading, berm cutting and excavation of foundation. This resulted in an excess payment of Rs.172,170 in August 1990.”

**15-02-1999:** The Department explained that before the payment of final bill overall measurements were carried out. The credit of earth actually utilized had been given as 924481 cft and 9420 CFT. The balance quantities had been paid which were well within the estimated quantity.

The PAC directed the Department to produce all the relevant record including T.S. estimate, M.B with original entries, BOQ and final bill to Audit in support of their contention for verification. The official at fault who did not produce the record to Audit for verification for the last eight years may be proceeded against under the rules. The para was kept pending.

**24-06-2002:** Reiterating the decision of the PAC dated 15 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **32. Para I-C-1: Page 115 – Miscalculation – Rs.28,835**

Audit had observed: “ The division recorded a quantity of 2175238 cft of earth excavated in the abstract of quantities instead of actual quantity of 2088229 cft earth which resulted in an overpayment of Rs.28,835 in November, 1991.

**15-02-1999:** The Department explained that full recovery of Rs.28,835 had been made and got verified by Audit. The PAC accepted the explanation and **settled the para.**

### **33. Para I-D-1: Page 116 – Payment of Higher Premia – Command Water Management Project Division Lahore – Rs.666,281**

Audit had observed: “The division executed the item of “formation, dressing and preparation of sub grade in bed and slope” and paid premia of 131, 168, 170, 188 and 198 percent instead of the admissible premia of 5, 69, 70 and 75 percent. This resulted in an overpayment of Rs.666,281 in November 1991.”

**24-06-2002:** 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 30 November 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-D-2: Page 116 – Payment of Higher Premia – Central Bari Doab Canal Division Lahore – Rs.42,455**

Audit had observed: “The division executed the item of “formation, preparation and dressing of sub grade, supply of clean and screened river or pit sand and bailing out water by hand for the work of brick lining” and paid premia of 147 to 160 percent and 181 percent to 184 percent meant for pacca work instead of the admissible premia of 50, 69 and 70 percent approved for earth work. This resulted in an overpayment of Rs.42,455 in June 1991.”

**24-06-2002:** 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 30 November 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-D-3: Pages 116-117 – Payment of Higher Premia – Drainage Division Lahore – Rs.59,948**

Audit had observed: “Works of construction of outlets were awarded to different contractors on Schedule Rates at different premia for pacca work and earth work. The payment for sinking and plugging of well was made at premia admissible for pacca work instead of the premia for earthwork. This resulted in an overpayment of Rs.59,948 to contractors in December 1985.”

**24-06-2002:** 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 30 November 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-D-4: Page 117 – Payment of Higher Premia – Eastern Bar Division Pakpattan – Rs.34,850**

Audit had observed: “The division paid premia meant for pacca work @ 160 percent instead of 75 percent admissible. The item executed at site was preparation and dressing of sub grade which fell under kacha work. Incorrect payment of premia resulted in an over payment of Rs.34,850 in December 1991.”

**24-06-2002:** 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 30 November 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.

### **37. Para I-D-5: Pages 117-118 – Payment of Higher Premia – Khanwah DCC Division Sahiwal – Rs.60,140**

Audit had observed: “The division executed an item of “formation, preparation and dressing of sub grade for the work brick lining” and paid premia of 150 percent meant for pacca work instead of the admissible premia of 60 percent approved for earth work. This resulted in an excess payment of Rs.60,140 in 1990.”

**24-06-2002:** 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 30 November 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-D-6: Page 118 – Payment of Higher Premia – Rs.59,273**

Audit had observed: “The division executed the item of “formation, dressing and preparing subgrade in bed and slope of canal” and paid premia of 190 and 193 percent approved for pacca work instead of the admissible premia of 78 and 85 percent sanctioned for earth work. Payment of incorrect premia resulted in an excess payment of Rs.59,273 between December and February, 1991-92.

**15-02-1999:** The Department explained that contractor tendered the rate of premium for the item “formation dressing” as Rs.195 above the CSR 1979 and afterwards reduced the same to Rs.190. The said rate was approved by the Chief Engineer concerned. The comparative statement had been prepared with the rates of premium as 195% above CSR for all the items of lining. Similarly the estimate for the scheme had been sanctioned by the C.E. with the premium of 190% above CSR for all the items of lining portion. As such the contractor had been paid accordingly and no excess payment was involved. The PAC accepted the explanation and **settled the para.**

### **39. Para I-D-7: Pages 118-119 – Payment of Higher Premia – Rs.24,030**

Audit had observed: “The division paid premia of 150 percent for pacca work instead of permissible 70 percent for kacha or earth work as the item of preparation and dressing of sub grade for lining was earth work. Incorrect application of premia resulted in an overpayment of Rs.24,030 in 1991.”

**15-02-1999:** The PAC endorsed the view point of Audit and rejected the explanation of the Department and directed that excess payment may be recovered from the defaulter who made excess payment. He may also be proceeded against for disciplinary action. The para was kept pending.

**24-06-2002:** 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 15 February 1999 by 30 November 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-E-1: Page 119 – Higher/Incorrect Rates – Upper Chenab Canal Division Marala – Rs.274,363**

Audit had observed: “The division executed the item of lowering of tubewells and paid Rs.100,000 per job instead of admissible rates of Rs.74,053 and Rs.85,107 per job respectively sanctioned by the Chief Engineer in August 1991. This resulted in an overpayment of Rs.274,363 in April 1991.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **41. Para I-E-2: Page 119 – Higher/Incorrect Rates – Chakbandi Division Lahore – Rs.91,334**

Audit had observed: “The division paid charges of 299096 cft stone on the basis of stack measurement of loose stone and paid the same as completed item for dumping stone by boat and filling stone in wire crates instead of 271905 cft for the finished/completed item at site of work in violation of items 16(a) and 19(i) page 132 of the Composite Schedule of Rates (CSR), 1979. This resulted in an overpayment of Rs.91,334 in November 1991.”

**24-06-2002:** 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 30

November 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-E-3: Page 120 – Higher/Incorrect Rates – Flood Bund Division Lahore – Rs.51,651**

Audit had observed: “The division executed an item of dumping stone by boat and paid the rate of Rs.100.20 per hundred cft instead of the admissible rate of 72.60 per hundred cft. This resulted in an overpayment of Rs.51,651 in April 1991.”

**24-06-2002:** 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 30 November 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.

**43. Para I-E-4: Page 120 – Higher/Incorrect Rates – Balloki Sulemanki Link Division Lahore – Rs.22,626**

Audit had observed: “The division executed an item of stone tipping crates and made payment @ Rs.34.25 per hundred cft in combination with the rate of Rs.65.95 per hundred cft. in violation of item No.16(a) page 132 of the Composite Schedule of Rates, 1979. This resulted in an overpayment of Rs.22,626 in September 1990.”

**24-06-2002:** 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 30 November 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.

**44. Para I-E-5: Page 121 – Higher/Incorrect Rates – Upper Chenab Canal Division Sheikhpura – Rs.47,007**

Audit had observed: “The division made a separate payment for making rolls of pilchi in violation of specification 30(5)(iii). As per specification, no separate payment for making rolls was admissible because its rate was included in the composite rate of the item. Extra payment for making rolls in addition to the composite rate resulted in an overpayment of Rs.47,007 in June 1991.”

**24-06-2002:** 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 30

November 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 I-E-6: Page 121 – Higher/Incorrect Rates – Depalpur Chenab Canal Division Kasur – Rs.90,014**

Audit had observed: “A division executed the item of earth work compaction, mixing moistening and made payment of Rs.61 per thousand cft. The Department also made payment of Rs.10.90 per thousand cft for dressing and leveling earth in addition to the rate of Rs.61 for compaction etc. in violation of item No.24(a) page 132 of Composite Schedule of Rates, 1979 which also included the rate of dressing and leveling. This resulted in an overpayment of Rs.90,014 in December 1990.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**46. Para I-E-7: Page 121 – Higher/Incorrect Rates – Depalpur Chenab Canal Division Kasur – Rs.22,577**

Audit had observed: “A division executed an item of cement plaster half inch thick in brick lining and paid the rate of Rs.69.75 per hundred sft meant for 3/8” plaster instead of the admissible rate of Rs.54.50 per hundred sft. vide item No.3 page 125 of the Schedule of Rates. This resulted in an overpayment of Rs.22,577 in January 1991.”

**24-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by Audit. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**47. Para I-E-8: Page 122 – Higher/Incorrect Rates – Easter Bar Division Pakpattan – Rs.42,273**

Audit had observed: “The division made payment @ Rs.21.05 per cft. for an item of reinforced cement concrete (RCC) in the base slab/transom slab 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 (CSR), 1979, which resulted in an overpayment of Rs.42,273 in October 1986.”

**24-06-2002:** 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 30 November 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 I-E-9: Pages 122-123 – Higher/Incorrect Rates – Rs.34,389**

Audit had observed: “The division executed an item of transum slab/base slab of column under bridge and made payment for reinforced cement concrete @ Rs21/05 instead of the admissible rate of Rs.15/70 per cft. vide item 5(a)(ii)(3) page 53 of the Composite Schedule of Rates (CSR), 1979. This resulted in an overpayment of Rs.34,389 in November, 1984.”

**15-02-1999:** The Department explained that this case comprised two works. In the first case Audit had pointed out an overpayment of Rs.21,401 on the basis of record measurement of bill instead of final bill of the contractor wherein all the adjustments had been made. Therefore no excess payment was involved. In the second case an overpayment of Rs.12,988 was made. The D.C. had been requested to recover the said overpaid amount as arrears of land revenue. The PAC accepted the explanation and **settled the para.**

**49. Para I-E-10: Page 123 – Higher/Incorrect Rates – Shujabad Canal Division Multan – Rs.56,917**

Audit had observed: “The division carted 593877 cft earth from outside with a lead of 1100 feet undressed in April 1990 and made extra payment @ Rs.95.84 per thousand cft for rehandling of the same quantity in August 1990 in violation of bid schedule and agreement. This resulted in an excess payment of Rs.56,917 in September 1991.”

**24-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**50. Para I-E-11: Page 123 – Higher/Incorrect Rates – Lodhran Canal Division Multan – Rs.50,648**

Audit had observed: “The division made a separate payment @ Rs.10.90 per thousand cft for dressing of earth work in addition to the rate for compaction of earth @ Rs.61 per thousand cft which was not admissible. This resulted in an excess payment of Rs.50,648 to the contractors in February

1985.”

**24-06-2002:** 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 30 November 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.

**51. Para I-E-12: Page 124 – Higher/Incorrect Rates – River Diversion Division Basira – Rs.247,697**

Audit had observed: “The Department paid carriage charges for loose quantity of stone of 1199245 cft and subsequently paid the same quantity of stone as finished/completed item without applying reduction factor as per approved rates of analysis vide items 15(a) and 16(a) page 132 of the Schedule of Rates. This resulted in an overpayment of Rs.247,697 in September 1990.”

**24-06-2002:** 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 30 November 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.

**52. Para I-E-13: Page 124 – Higher/Incorrect Rates – Islam Headworks Division Pallah – Rs.27,763**

Audit had observed: “The division executed an item of earth work compaction and paid separate payment for dressing of the earth in addition to compaction of the same earth in violation of Finance Department’s letter of 16 March 1988 and 23 January 1990. This resulted in an overpayment of Rs.27,763 in August 1985.”

**24-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**53. Para I-E-14: Page 125 – Higher/Incorrect Rates – Command Water Management Project Division Lahore – Rs.361,620**

Audit had observed: “The division executed an item of earth work compaction vide item 24(a)(b) (ii) page 32 & 33 instead of the item 25(i) page 33 of the Composite Schedule of Rates (CSR) 1979 and paid rate of Rs.57.78 and Rs.61 per thousand cft instead of Rs.41.40 per thousand cft. Incorrect application of rate resulted in an overpayment of Rs.361,620 between December 1989 and June 1992.”

**24-06-2002:** 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 30 November 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.

**54. Para I-F-1: Page 126 – Double Measurements – Command Water Management Project Division Lahore – Rs.21,176**

Audit had observed: “A division executed the item of formation, dressing and preparing sub grade for brick lining in canal and recorded and measured the item twice in some reaches, which resulted in an overpayment of Rs.21,176 in March 1992.”

**24-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The Department shall investigate the matter and effect recovery, if any. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**55. Para II-A-1: Page 126 – Non-Recovery of Rent, Professional/Income Tax – Small Dams Division Islamabad – Rs.70,000**

Audit had observed: “The division did not recover professional tax amounting to Rs.70,000 from various contractors from July 1990 to June 1991.”

**24-06-2002:** The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Department to have deducted the same at source. **The para was settled.**

**56. Para II-A-2: Page 127 – Non-Recovery of Rent, Professional/Income Tax – Store and Workshop Division Mandi Baha-ud-Din – Rs.74,500**

Audit had observed: “The division did not recover professional tax amounting to Rs.74,500 from contractors, which resulted in non-recovery of Government dues in 1990-91.”

**24-06-2002:** The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Department to have deducted the same at source. **The para was settled.**

**57. Para II-A-3: Page 127 – Non-Recovery of Rent, Professional/Income Tax – Shahpur Lower Jhelum Canal Division Sargodha – Rs.261,906**

Audit had observed: “The division deducted income tax @ 2 percent instead of 3 percent in violation of section 50(4) of the Income Tax Ordinance, 1979. This resulted in non-recovery of Rs.261,906 in June 1991.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**58. Para II-A-4: Page 127 – Non-Recovery of Rent, Professional/Income Tax – Lower Bari Doab Canal Division Sahiwal – Rs.63,503**

Audit had observed: “The division rented out shops to different tenants but did not make recovery of the rent amounting to Rs.63,503 from them since 1990, which resulted in non-recovery of Rs.63,503.”

**24-06-2002:** 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.

**59. Para II-B-1: Page 128 – Non-Recovery of Electricity Charges – Rasul Lower Jhelum Canal Division Rasul – Rs.109,338**

Audit had observed: “The division supplied water in 1989, 1990 and 1991 to different agencies but water charges amounting to Rs.109,338 were not recovered from them.”

**24-06-2002:** 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.

**60. Para II-B-2: Page 128 – Non-Recovery of Electricity Charges – Rs.284,072**

Audit had observed: “The division did not make recovery of electricity and water charges amounting to Rs.284,072 from Commandant Punjab Reserve Police. The dues had been outstanding since 1973, but no efforts appeared to had been made by the Department to recover the outstanding dues.”

**15-02-1999:** The Department explained that all out efforts had been made to recover the amount of Rs.284,072 from the Commandant Punjab Reserve Police Farooqabad. After a lengthy correspondence it had been concluded that Police authorities were not willing to pay the said amount.

The PAC directed the Department to refer the case to the Finance Department with a request to deduct the amount from the annual allocations of the Police Department at source. The para was kept pending.

**24-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The directive of the PAC dated 15 February 1999 shall be implemented. In case the Finance Department did not agree, 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.

**61. Para II-B-3: Page 128 – Non-Recovery of Electricity Charges – Lower Jhelum Canal Division Sargodha – Rs.133,489**

Audit had observed: “The division supplied water to various agencies during 1989-90 but it did not recover water charges amounting to Rs.133,489 from them.”

**24-06-2002:** 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.

**62. Para II-B-4: Page 128 – Non-Recovery of Electricity Charges – Irrigation Division Bhakkar – Rs.81,333**

Audit had observed: “The division did not recover telephone and electric charges amounting to Rs.81,333 from different officials since 1982.”

**24-06-2002:** 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.

**63. Para II-C-1: Page 129 – Non-Recovery of Cost of Material – Taunsa Barrage Division Kot Addu – Rs.146,495**

Audit had observed: “The division issue stone worth Rs.146,495 to a contractor for use on protection of shank of spur No.1 of Taunsa Barrage in July 1986 and placed the amount in Misc. “P. W. Advances” as recoverable from him. Despite the lapse of more than six years the Department did not make recovery of the material due to which the Government had to sustain a loss of Rs.146,495.”

**24-06-2002:** 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 30 November 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 II-D-1: Page 129 – Non-Recovery of Lease Money – Islam Headworks Division Pallah – Rs.270,565**

Audit had observed: “The division leased out plots of pond area between 1980 to 1982 to different persons. The lessees deposited one-fourth amount, but the Department did not recover the remaining three fourth amount of Rs.270,565 from them. No efforts had been made by the Department to effect the outstanding dues.”

**24-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The outstanding amount shall immediately be recovered and disciplinary action against the persons responsible for delay in recovery be taken. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**65. Para III-A-1: Page 130 – Theft of Government Material – Tubewell Operation Division Mandi Baha-ud-Din – Rs.116,000**

Audit had observed: “An electric motor with starter costing Rs.116,000 was stolen in April 1991. As per rule 2.34 of the Punjab Financial Rules Volume-I, the Department was required to report the matter to Audit, but this was not done.”

**24-06-2002:** 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 30

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

**66. Para III-A-2: Page 130 – Theft of Government Material – Tubewell Operation Division (South) Shekhupura – Rs.637,490**

Audit had observed: “Components of starters and tubewells circuit breaker etc. worth Rs.637,490 were stolen from different tubewells during 1989-90 and 1990-91. According to Rule 2.34 of the Punjab Financial Rules (PFR), the Department was required to report the loss to Audit, but this was not done. The Government had to sustain a loss of Rs.637,490.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**67. Para III-A-3: Page 131 – Theft of Government Material – Rs.137,100**

Audit had observed: “Some unknown persons stole 73 shisham and kikar trees worth Rs.137,100 from canal sides between June and August 1990. The Department failed to get registered the cases of thefts with the police and report to Audit as required by Rule 2.34 of Punjab Financial Rules.”

**15-02-1999:** The Department explained that inquiry was under process and final action would be taken after the inquiry report had been received.

The PAC directed that inquiry may be completed and action against the defaulters may be taken within three months. The para was kept pending.

**24-06-2002:** 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 15 February 1999 by 30 November 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.

**68. Para III-A-4: Page 131 – Theft of Government Material – Tubewell Operation Division (North) Shekhupura – Rs.71,510**

Audit had observed: “Material like electric motors, starters, circuit breakers etc worth Rs.71,510 were stolen during 1990-91. The Department neither registered the cases with the police nor reported the loss to Audit as required by Rule 2.34 of the Punjab Financial Rules.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**69. Para III-A-5: Page 131 – Theft of Government Material – Rs.374,700**

Audit had observed: “Government trees worth Rs.374,700 were stolen between April 1991 and February 1992. The Department neither reported the loss to Audit as required by rule 2.34 of the Punjab Financial Rules nor conducted any departmental inquiry to fix responsibility for the loss.”

**15-02-1999:** The Department explained that inquiry had been conducted and it had been concluded that no officer/official was responsible for the loss. The Competent Authority had agreed with the inquiry officer. Accordingly, the record was being produced to Audit for verification.

The PAC directed the Department that relevant record may be got verified by Audit and a case may be moved to the Finance Department for write off sanction of the loss. The para was kept pending.

**24-06-2002:** 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 15 February 1999 by 30 November 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 III-A-6: Page 132 – Theft of Government Material – Rs.320,562**

Audit had observed: “Government trees worth Rs.320,562 were stolen by some persons from different canal sites between 1989-91. As per record of the division, the Department neither reported the loss to the police nor to Audit as required by rule 2.34 of the Punjab Financial Rules.”

**15-02-1999:** The Department explained that the matter was under inquiry with the S.E. Drainage, Circle Faisalabad. Further action would be taken after the receipt of inquiry report.

The PAC directed the Department to complete the inquiry and fix responsibility within four months positively. The para was kept pending.

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**71. Para III-A-7: Page 132 – Theft of Government Material – Lower Bari Doab Canal Division Balloki – Rs.56,157**

Audit had observed: “Government material (store articles) worth Rs.56,157 was stolen from workshop in December 1989. The Department neither reported the loss to Audit as required by rule 2.34 of the Punjab Financial Rules nor to the Police.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**72. Para III-A-8: Page 132 – Theft of Government Material – Trimmu Barrage Division – Rs.14,900**

Audit had observed: “Government trees worth Rs.64,274 and Rs.14,900 illegally cut down and taken away by some unknown persons and Highways Department respectively in June 1991. As per rule 2.34 of the Punjab Financial Rules, the Department neither reported the matter to Audit nor any report was lodged with the police.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**73. Para III-A-9: Page 133 – Theft of Government Material – Eastern Bar Division Pakpattan – Rs.775,500**

Audit had observed: “Some unknown persons cut down illegally Government trees (705 Nos.) worth Rs.775,500 from canal sides. As per rule 2.34 of the Punjab Financial Rules Volume-I the Department was required to report the matter to Audit also, but this was not done.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**74. Para III-A-10: Page 133 – Theft of Government Material – Sulemanki Head Works Division Sulemanki – Rs.187,438**

Audit had observed: “Government trees worth Rs.187,438 were stolen by some unknown persons from February 1990 to April 1991. According to rule 2.34 of the Punjab Financial Rules, the Department was required to report the loss to Audit also, but this was not done.”

**24-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**75. Para III-A-11: Page 133 – Theft of Government Material – Rs.64,915**

Audit had observed: “Some unknown persons cut down illegally Government trees (44 Nos) worth Rs.64,915 from canal sides. As per rule 2.34 of the Punjab Financial Rules Volume-I, the Department was required to report the matter to Audit also, but this was not done.”

**15-02-1999:** The Department explained that the case of theft of trees had been reported to the Police and F.I.R. registered with the Police. The case was being investigated by the Police.

The PAC directed that departmental inquiry may also be conducted to fix responsibility for the theft of Government property. The para was kept pending.

**24-06-2002:** Pursuant to the decision of the PAC dated 15 February 1999, **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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**76. Para III-A-12: Page 134 – Theft of Government Material – Rs.91,900**

Audit had observed: “Government trees (309 Nos.) worth Rs.91,900 were stolen by some unknown persons. According to rule 2.34 of the Punjab Financial Rules, the Department was required to report the loss to Audit, but this was not done.”

**15-02-1999:** The Department explained that the cases regarding theft of trees had been registered with the Police and the case was being investigated by the Police Department.

The PAC directed the Department that inquiry may be conducted to ascertain whether any departmental Officer/Official was involved in the theft of 309 trees. Case with the Police may be pursued at personal level. The para was kept pending.

**24-06-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction–**

The directive of the PAC dated 15 February 1999 shall be implemented and if any person is found guilty of the loss, the recovery shall be effected from him 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.

### **77. Para III-A-13: Page 134 – Theft of Government Material – Rs.169,650**

Audit had observed: “Some unknown persons stole 218 trees worth Rs.169,650 from different sites of canals and distributories between September 1990 and May 1991. The Department did not report the loss to Audit as per rule 2.34 of the Punjab Financial Rules.”

**15-02-1999:** The Department explained that matter had been inquired into and found that no departmental Officer/official was involved in the theft of trees. The inquiry report had been sent to the Authority for decision.

The PAC directed the Department to decide the case within one month and further action may also be completed accordingly. The para was kept pending.

**24-06-2002:** 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 15 February 1999 by 30 November 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 III-A-14: Page 134 – Theft of Government Material – Rs.40,400**

Audit had observed: “Broad gauge rail fire plates and nut bolts worth Rs.40,400 were stolen by some unknown persons in December 1989 and September 1990. As per rule 2.34 of the Punjab Financial Rules, the Department did not report the loss to Audit.”

**15-02-1999:** The Department explained that theft of B.G. Rails was reported to Police. The Police declared the theft as untraceable and filed the case. Now, a departmental inquiry was under way and further action would be taken on receipt of inquiry report.

The PAC directed that inquiry may be completed without further loss of time and the para

was kept pending.

**24-06-2002:** Pursuant to the decision of the PAC dated 15 February 1999, **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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**79. Para III-A-15: Page 135 – Theft of Government Material – Rs.32,900**

Audit had observed: “44 Nos. Shisham trees worth Rs.32,900 were stolen, but the department neither reported the loss to audit as per rule 2.34 of the Punjab Financial Rules nor lodged any report with the police.”

**15-02-1999:** The Department explained that only three trees were stolen instead of forty four. The cost of these trees was Rs.2100 which had been recovered.

The PAC **settled the para subject to verification** of actual quantity of stolen trees and recovery made by the Department.

**80. Para III-A-16: Page 135 – Theft of Government Material – Rs.106,000**

Audit had observed: “28 Nos. Government trees worth Rs.106,000 were stolen by some unknown persons. As per rule 2.34 of the Punjab Financial Rules Volume-I, the Department was required to report the loss to Audit, but this was not done.”

**15-02-1999:** The Department explained that matter was reported to Police but the concerned Police authorities neither traced the culprit nor registered any F.I.R. Anyhow, as a result of departmental inquiry the Sub Engineers concerned had been proceeded against. The cost of the stolen trees was worked as Rs.65,450 as per Forest Department’s schedule instead of Rs.106,000 worked out by Audit. A sum of Rs.33,850 had been recovered and efforts were being made for the balance recovery.

The PAC directed the Department to recover the balance amount. The reduction of amount from Rs.106,000 to Rs.65,450 may be got verified by Audit. The para was kept pending.

**24-06-2002:** 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 15 February 1999 by 30 November 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 III-B-1: Page 135 – Negligence – Kalabagh Irrigation Division Daudkhel – Rs.256,720**

Audit had observed: “A division purchased 10300 kilogram of explosive material from Army in April 1988. A team of military engineers inspected the stores of the division and declared the explosive material as unserviceable in November 1990 due to improper storage facilities by the department. Poor storage and supervision by the department resulted in a loss of Rs.256,720.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**82. Para III-B-2: Page 136 – Negligence -Lower Bari Doab Canal Division Balloki – Rs. 80,000**

Audit had observed: “Some unknown persons put a government Jeep on fire during the night of 2-3 February 1991, which resulted in a loss of Rs.80,000 to the government. According to rule 2.34 of the Punjab Financial Rules, the department was required to report the loss to audit also, but this was not done.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**83. Para III-C-1: Page 136 – Violation of Agreement – Lahore Drainage Division Lahore – Rs.171,449**

Audit had observed: “The division made payment of Rs.851,449 for the item of dewatering instead of Rs.680,000 in violation of agreement. This resulted in a loss of Rs.171,449 in June 1986.”

**25-06-2002:** 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 30 November 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 III-D-1: Page 136 – Incorrect Rates – Command Water Management Project Division Lahore – Rs.380,000**

Audit had observed: “The division made payment of Rs.380,000 to a contractor for mobilization of rig machine with equipment from location to location in March 1990 in violation of Finance Department’s letter No.OSD(Tech)FD-1-21/85, dated 27th January 1985 and item 5, page 184 of the Composite Schedule of Rates (CSR) 1979.”

**25-06-2002:** 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.

**85. Para III-D-2: Page 137 – Incorrect Rates – Command Water Management Project Division Lahore – Rs.47,826**

Audit had observed: “The division executed the item of providing and laying reinforced cement concrete pipe sewer through a contractor and paid non schedule rate of Rs.100 per rft instead of the schedule rate of Rs.26.40 with premium of 125 percent in violation of item No.2(i) page 170 of the Composite Schedule of Rates (CSR) 1979. This resulted in a loss of Rs.47,826 in March 1991.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**86. Para IV-A-1: Page 138 – Material Issued From Stock Without Requirement – Rs.9,777**

Audit had observed: “The division carted stone worth Rs.76,227 from stores to the site of a work and paid Rs.9,777 for its transportation, but its consumption or accountal was not available on record.”

**15-02-1999:** The Department explained that stone lying in reserve stock on Spur No.3 was utilized in flood fighting in 1988 and as a precautionary measure for any future emergency the reserve stock was carted from other sites. Hence 13075 cft stone was carried from RGB to Spur No.3. As such there was no misappropriation/ irregularity involved.

The PAC directed that the matter may be thrashed out by the Administrative Secretary himself to ascertain the factual position of consumption/accountal of stone. The para was kept pending.

**25-06-2002:** Pursuant to the decision of the PAC dated 15 February 1999, **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.

**87. Para IV-A-2: Pages 138-139 – Material Issued From Stock Without Requirement – Rs.123,500**

Audit had observed: “The division issued pitching stone 19000 cft. worth Rs.123,500 in February 1990 from stock without requirement as per M/s NESPAK’s letter of 29th December 1990. Moreover, consumption account of the material was not available in the division.”

**15-02-1999:** The Department explained that during the execution of work it was noticed that work could not be completed with the stone removed at site. The higher authorities were apprised of the position but no final decision was taken. On the other hand the NESPAK being client agency was pressing for the completion of work. Therefore, for the interest of work 19000 cft pitching stone was got issued from the stock through an indent for the said work. Later on the NESPAK did not reimburse the cost of pitching stone on the plea that no such provision existed in the estimate. Anyhow, the cost of work did not exceed the limit of 5% as the cost of stone was Rs.123,500 against the total cost of Rs.4,868,317. An inquiry had also been conducted as a result of which no officer/ official was held responsible.

Audit apprised the PAC that indent of stone was approved and issued without any approval in T.S. in this regard.

The PAC directed the Department that person who issued illegal indent without any approval in the T.S. Estimate may be proceeded against for disciplinary action and loss sustained by the Government may be recovered from him. Relevant record may be produced to Audit for scrutiny and verification of facts. The para was kept pending.

**25-06-2002:** 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 15 February 1999 by 30 November 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-B-1: Page 139 – Non-Accountal of Diesel Oil – Excavator Division Faisalabad – Rs.100,345**

Audit had observed: “The division purchased 20,000 litre high speed diesel worth Rs.100,345 in August 1989 and November 1990, but the material was not taken on stock account.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**89. Para V-1: Page 139 – Shortage of Material Against Sub-Engineers -Tubewell Operation Division (North) Sheikhpura – Rs.2,693,062**

Audit had observed: “Material worth Rs.2,693,062 was found short against sub engineers as per report of the sub divisional officer on handing/taking over charge in July 1985-86, 1986-87 and March 1989. The department did not make concrete efforts to investigate the matter despite the lapse of a long period.”

**25-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**90. Para V-2: Page 140 – Shortage of Material Against Sub-Engineers -Tubewell Operation Division (South) Sheikhpura – Rs.237,197**

Audit had observed: “Material worth Rs.237,197 was found short against a sub engineer as per report of the Superintending Engineer scarp-I Lahore in September 1990. The department did not conduct any departmental enquiry into the case for fixation of responsibility for the shortage and its recovery.”

**25-06-2002:** 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 30 November 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.

**91. Para V-3: Page 140 – Shortage of Material Against Sub Engineers – Rs.57,297**

Audit had observed: “Material worth Rs.57,297 was found short against six sub engineers in February and March 1990 by the department. As per record of the division, no effective efforts appeared to have been made by the department to recover the shortage.”

**15-02-1999:** The Department explained that inquiry was under process and further action would be taken after the inquiry report had been received.

The PAC directed that inquiry may be completed and responsibility fixed within three months and further action in the light of inquiry may be taken accordingly. The para was kept pending.

**25-06-2002:** Pursuant to the decision of the PAC dated 15 February 1999, **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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**92. Para V-4: Page 141 – Shortage of Material Against Sub-Engineers – Tubewell Operation Division (North) Sheikhupura – Rs.60,000**

Audit had observed: “Material worth Rs.60,000 was found short/missing against a sub engineer as per report of the sub-divisional officer concerned in March 1989.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**93. Para V-5: Page 141 – Shortage of Material Against Sub Engineers – Rs.209,235**

Audit had observed: “Government trees worth Rs.209,235 were found short against a sub engineer of the department in November 1991. The department neither conducted any departmental enquiry nor reported the shortage to audit.”

**15-02-1999:** The Department explained that inquiry had been finalized and resultantly the authority had ordered to make good the loss from the Sub Engineer concerned Mr. Mohammad Aslam Chatha. The said Sub Engineer had filed a case in Services Tribunal against the recovery orders.

The PAC directed the Department to pursue the case in the Services Tribunal and also efforts be made to effect recovery. The para was kept pending.

**25-06-2002:** 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 15 February 1999 by 30 November 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 V-6: Page 141 – Shortage of Material Against Sub Engineers – Rs.389,800**

Audit had observed: “Shortage of trees worth Rs.389,800 was found against a sub engineer in

August 1989. No efforts appeared to have been made to recover the shortage from the official concerned.”

**15-02-1999:** The Department explained that inquiry had been completed and the authorized officer had sent his findings to the Secretary, Irrigation & Power Department. Final action taken by the authority was awaited.

The PAC directed the Department to complete the action in the light of inquiry report. The para was kept pending.

**25-06-2002:** 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 15 February 1999 by 30 November 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 V-7: Pages 141-142 – Shortage of Material Against Sub Engineers – Rs.164,754**

Audit had observed: “23 shisham and kikar trees worth Rs.164,754 were found short against a sub engineer by the department in October 1991. No effective efforts appeared to have been taken by the department till January 1992 for recovery of the short material.”

**15-02-1999:** The Department explained that inquiry had been finalized and the authority had ordered to recover the loss amounting to Rs.164,754 from the Sub Engineer concerned Mirza Akbar Ali. The XEN of the concerned Division had been asked to effect recovery from the said Sub Engineer.

The PAC directed that specific orders to effect recovery may be issued forthwith and recovery of Government loss may be completed without further loss of time. The para was kept pending.

**25-06-2002:** Pursuant to the decision of the PAC dated 15 February 1999, **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.

#### **96. Para VI-1: Page 142 – Violation of Technical Estimate and Financial Rules – Rs.63,041**

Audit had observed: “The division made payment of Rs.63,041 for Jungle clearance which was deleted from the technical estimate sanctioned by the Superintending Engineer concerned in April, 1991. This resulted in an un-authorized payment of Rs.63,041 in April 1991.”

**15-02-1999:** The Department explained that approval for the diversion of contingencies of Rs.63,041 for the item not covered in the estimate was accorded by the S.E. The said item was not

covered in the estimate due to the reason that provision in the T.S. estimate was for Rs.43,685 and as such the expenditure of Rs.43,685 out of Rs.63,041 may be accepted against the contingencies and balance amount of Rs.19,356 being nominal excess may be condoned.

The PAC was not satisfied with the explanation and directed that excess paid amount may be recovered from the XEN who was responsible for the same. Disciplinary action under E & D Rules may also be taken against him. The para was kept pending.

**25-06-2002:** 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 15 February 1999 by 30 November 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 VI-2: Page 142 – Violation of Technical Estimate and Financial Rules – Command Water Management Project Division Lahore – Rs.241,597**

Audit had observed: “The division made payment of Rs.241,597 on account of work charged establishment without the approval of the competent authority in violation of rules 7.37 and 18.12 of Departmental Financial Rules (DFR) and Punjab Financial Rules (PFR). This resulted in an unauthorized payment of Rs.241,597 between January 1991 and March, 1992.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**98. Para VI-3: Page 143 – Violation of Technical Estimate and Financial Rules – Command Water Project Division Lahore – Rs.854,507**

Audit had observed: “According to existing system of accounting and para 1.131(6) of Public Works Department Code every bill of work charged establishment is to be pre-audited by the divisional accountant. A division made payment to work charged establishment without pre-audit by the accountant in violation of rules. Moreover, the department also employed coolies as work charged supervisors in violation of para 1.31(1) of Public Works Department Code. Flagrant violation of rule resulted in an irregular payment of Rs.622,588 and a loss of Rs.231,919 in 1991.”

**25-06-2002:** 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 30 November 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## Commercial Audit

### **99. Para 85: Page 53 – Working Results of Moghalpura Irrigation Workshop Division, Lahore for the Year 1988-89 to 1991-92**

**26-06-2002:** The Committee **noted** the working results.

### **100. Para 86: Page 53 – Working Results**

**26-06-2002:** The Committee **noted** the para.

### **101. Para 87: Page 54 – Non-Capitalization of Machinery**

Audit had observed: “As already pointed out in many reports the machinery costing Rs.27,396,739 have not been capitalized so far. Out of this machinery some machinery was transferred to the newly created Mechanical Division, Lahore vide superintending Engineering letter No.6179-84/GEC dated July 17, 1984 without capitalizing its value. In this way machinery valuing millions of rupees remained un-capitalized during the last many years. The machinery transferred to the newly created Division is also without value which continues to be un-capitalized in the Division. Necessity of capitalization of machinery is again stressed.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **102. Para 88: Page 54 – Non-Capitalization of Machinery**

Audit had observed: “New machinery worth millions of rupees was received under up-gradation of Moghalpura Irrigation Workshops Programme during 1985-86 but neither its value has been assessed nor the same has been capitalized. Thus due to non-capitalizing of machinery costing millions of rupees the proforma account under review does not depict true picture of accounts. Moreover capital cost of building is to be re-assessed after a period of 5 years which has not been done and as such the capital account does not show the true picture of the accounts. The needful may be done now and reasons explained.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**103. Para 89: Page 54 – Non-Utilization of Spare Parts – Loss of Rs.4,591,068**

Audit had observed: “The spare parts worth Rs.4,591,068 have been lying un-used in this Division since 1985. The machinery stand transferred to the newly created Machinery Circle but the spare parts are in the stock of this Division. Neither the spare parts of the machinery are being indented by the Circle nor its repair got done from this workshop with the results that Government money unnecessarily remained blocked for such a long time. The chances of its utilization are becoming very remote with the further passage of time resulting in blockade of Government money and contributing to the losses of workshop. This needs justification.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**104. Para 90: Page 54 – Non-Maintenance of Rent Register**

Audit had observed: “According to Rule 9 (viii) B of Workshop Rules a register of rent of building and lands should be maintained by the Workshop Division. The register produced contained entries made during the years 1945 to 1950. Since then no addition/change has been noted inspite of incurrance of Rs.58.61 lacs up to June 30, 1988 on the up-gradation of Irrigation Workshop Division Moghalpura in which new shops have been added. The register may be updated and the cost of new building and machinery capitalized.”

**26-06-2002:** 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 taken shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**105. Para 91: Page 54 – Non-Providence of Year-Wise Details of Sundry Debtors**

Audit had observed: “Although the sundry debtors decreased from Rs.7.400 million June 30, 1988 to Rs.7.017 million on June 30, 1992 yet the amount due from sundry debtors is too heavy and includes recoverable dues outstanding for the last several years. No year-wise details of debtors were prepared in the absence of which the chances of recovery could not be ascertained. Immediate steps need to be taken to recover the Government dues and year-wise break up of debtors may also be provided.”

**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.

**106. Para 92: Page 54 – Non-Clearance of Sundry Creditors Deposits**

Audit had observed: “Sundry creditors (deposits) stood at Rs.35.596 million on June 30, 1992 as against Rs.18.504 million on June 30, 1988. The balance may please be reduced by clearing the outstanding items for more than three years by crediting to revenue as required under the Rules.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**107. Para 93: Page 55 – Non-Clearance of Sundry Creditors (Purchase)**

Audit had observed: “Sundry creditors (Purchase) stood at Rs.3.085 million on June 30, 1992 as against Rs.1.232 million on June 30, 1988 which is very heavy. The justification for non-clearance may please be provided and efforts made to clear the outstanding balance under intimation to Audit.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**108. Para 94: Page 55 – Non-Closure of Accounts of Work-in-Progress**

Audit had observed: “Un-adjusted balance of Rs.27.379 million shown against ‘Work-in-Progress’ as on June 30, 1992 denoted balances in respect of jobs which have since been completed but their accounts have not been closed. All the jobs may be over-hauled and costs of such works be cleared by transfer to suspense head “Misc. P.W. Advance” in respect of Works or refund to the indenter or adjust against the outstanding.”

**26-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

# Labour Department

## Overview

Total Paras	Civil
2	2

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Conditionally Settled</b>  2	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 5.6 (transferred from the Education Department), 18.1	2

**Discussed on 18 June 2002**

## Civil Audit

### 1. Para 5.6: Page 26 – Shortage of Store – Rs.88,502

Audit had observed: “Store articles were found short at the time of change over of the charge of the persons who have since been transferred to other Technical Training Centres of Punjab.”

On 8-8-1995, the PAC transferred the para from Education Department to Labour Department.

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para 18.1: Page 157 – Irregular Expenditure of Rs.114,927 Without Obtaining Drawing and Disbursing Powers**

Audit had observed: “A chief Instructor (BPS-17) assumed the additional charge of the office of the Principal, Government Apprentices Training Centre, Township, Lahore from 14.12.90 to 17.1.91 pending posting of the regular scale principal of BPS-18 vide order No.7-12/Lab-IV/90, dated 20.12.90 of the Secretary, Government of the Punjab, Labour Department. He did not obtain the drawing and disbursing officer’s powers from the Government as required vide Rule 1-18 or PFR Vol.I and drew the amounts from the government exchequer as stated above.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

# Lahore High Court

## Overview

<b>Total Paras</b>	<b>Civil</b>
<b>2</b>	<b>2</b>

### Abstract

Status	Decision	Para Nos.	Total
<b>Paras Conditionally Settled</b>  <b>2</b>	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.	<b>Civil: 12.1, 12.2</b>	<b>2</b>

**Discussed on 18 June 2002**

## Civil Audit

### 1. Para 12.1: Page 133 – Non-Recovery on Account of Excess Trunk Calls on Residential Telephone Amounting to Rs.21,379

Audit had observed: “Payments on account of telephone trunk calls on residential telephone No.4503 over and above the prescribed limit were made to the stated extent from the Government exchequer in contravention of the instructions of the Finance Department contained in its letter No.S. O (PW-I)2-1/Tele/82(Provl.) dated 4.9.85 but no reply was received. The amount thus overpaid needs to be recovered and deposited into the Government treasury.”

**18-06-2002:** 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 30 November 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 12.2: Page 133 – Magisterial Fine Not Deposited – Rs.20,000**

Audit had observed: “Fine amounting to Rs.20,000 imposed by the Additional Distt. and Sessions Judge on one offender was received vide Book No.562 Receipt No.65 dated 30.6.90 but was not the deposited into Government treasury as treasury challan in support of deposit was not produced which is violation of Rule 7.1 of Treasury Rules Punjab.”

**18-06-2002:** 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 30 November 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.

# Livestock and Dairy Development Department

## Overview

Total Paras	Civil	Commercial
5	3	2

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  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.	<b>Commercial:</b> 3(xviii), 3(xix)	2
<b>Paras Conditionally Settled</b>  3	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 16.1, 16.2, 16.3	3

**Discussed on 18, 26 June 2002**

## Civil Audit

### **1. Para 16.1: Page 152 – Non-Realization of Land Rent, Amounting to Rs.6,971,581**

Audit had observed: “According to tenants ledger an amount of Rs.13,360,766 was outstanding against the tenants on account of land rent, out of which an amount of Rs.6,389,185 was recovered but the remaining amount of Rs.6,971,581 is still outstanding.”

**18-06-2002:** 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.

**2. Para 16.2: Page 152 – Wastage of Govt. Funds Amounting to Rs.1,507,732**

Audit had observed: “The daily paid labour was employed for the same work over years together whereas regular staff was also sanctioned and employed causing wasteful/irregular expenditure to the stated extent.”

**18-06-2002: 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 30 November 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 16.3: Page 153 – Liquidated Damages Rs.159,287 Not Recovered**

Audit had observed: “A contract No.3201, H&DD/LPR/1987-88, dated 5.5.88 was made with a firm for the supply of store for Rs.159,287. The date of delivery for the supply of store was extended from 29.6.1988 to 30.11.88 without recovery in violation of “Note under Para 50 of the Purchase Manual”. The liquidated damages amounting to Rs.159,287 were not recovered from the contractor. The stated amount may be recovered and deposited into Government account.”

**18-06-2002: 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## Commercial Audit

**1. Para 3(xviii and xix): Page 6 – Non-Compilation of Accounts**

Punjab Live Stock, Dairy and Poultry Development Board Lahore 1986-87  
Punjab Dairy Corporation Limited, Lahore 1991-92

**26-06-2002: The PAC noted** the contents of the Audit para and directed that the Departments shall 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.



# Local Government and Rural Development Department

## Overview

<b>Total Paras</b>	<b>Civil</b>
<b>5</b>	<b>5</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled  1</b>	Paras finally settled as the requisite action had been taken.	<b>Civil: 17.5</b>	<b>1</b>
<b>Paras Conditionally Settled  4</b>	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.	<b>Civil: 17.1, 17.2, 17.3, 17.4</b>	<b>4</b>

**Discussed on 11 October 1995 and 18 June 2002**

## Civil Audit

### **1. Para 17.1: Page 154 – Non-Production of Vouched Accounts Amounting to Rs.2,223,579**

Audit had observed: “The stated amount was drawn from the PLA and shown paid to the various persons but no vouched accounts were produced to audit. The amount of Rs.240,000 was also retained by the Asstt. Director, Local Government from the funds allocated to union councils.”

**11-10-1995:** An amount of Rs. 2,223,579 was withdrawn from P.L.A. but the complete vouched account was not shown to Audit.

The Department was directed that relevant accounts might be produced to Audit for scrutiny, within one month. The para was kept pending.

**18-06-2002:** Reiterating the decision of the PAC dated 11 October 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para 17.2: Page 154 – Full Payment Rs.154,000 Made to Contactor Without Completion of Work**

Audit had observed: “Payment of Rs.154,000 was made to the contractors without completion of construction work.”

**11-10-1995:** An amount of Rs.154,000 was paid to a contractor without completion of work.

The Department was directed to produce the complete record to Audit for scrutiny. Audit was asked to ascertain that what was the cost of original tender and what was the cost on which the 2nd contractor completed the work. Whether the risk and cost difference was recovered or not. The para was kept pending, for detailed scrutiny by Audit.

**18-06-2002:** Reiterating the decision of the PAC dated 11 October 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **3. Para 17.3: Page 155 – Extravagant and Unjustified Expenditure Amounting to Rs.104,941**

Audit had observed: “The amount aggregating to the stated extent was spent out of development contingencies for which neither any sanction was obtained from the competent authority nor purchased articles were accounted for in respective accounts books.”

**11-10-1995:** The Department explained that after rejection of the case of regularisation by Finance Department, the Assistant Director, Local government, concerned was being proceeded

against. The Public Accounts Committee directed that the amount be recovered and the disciplinary action be expedited. The para was kept pending, for recovery & action.

**18-06-2002:** 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 11 October 1995 by 30 November 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 17.4: Page 155 – Irregular Purchase of Typewriters Worth Rs.46,400**

Audit had observed: “Four typewriters worth the stated value were purchased without any need. In fact only one typewriter was required for the typist in the office. The purchase was also made without allocation of budget in contravention of the provisions of para 3(xii) (a) of Delegation of Financial Rules, 1990 and without the sanction of the competent authority.”

**11-10-1995:** The Department explained that after rejection of the case of regularization by Finance Department, the Assistant Director, Local Government, concerned was being proceeded against. The Public Accounts Committee directed that the amount be recovered and the disciplinary action be expedited. The para was kept pending, for recovery & action.

**18-06-2002:** 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 11 October 1995 by 30 November 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 17.5: Page 156 – Likely Misappropriation of Rs.26,079 by Non-Accountal of Cash**

Audit had observed: “The stated amount was withdrawn from bank as per entries in the pass book. It was neither accounted for in the cash book nor vouched account in support of the expenditure was available.”

**11-10-1995:** The explanation of the Department was accepted and **the para was settled.**

# Planning and Development Department

## Overview

<b>Total Paras</b>	<b>Works</b>
<b>4</b>	<b>4</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Conditionally Settled  4</b>	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.	<b>Works: CDA: I-A-1, I-B-1, I-C-1, II-1</b>	<b>4</b>

**Discussed on 18 and 25 June 2002**

## Planning and Development Cholistan Development Authority Works Audit

### 1. Para I-A-1: Page 210 – Non-Recovery of Government Dues – Risk and Cost Amount – Rs.121,481

Audit had observed: “The Authority allotted the work “construction of a rest house” in April 1989 to a contractor who failed to complete the work within the target date. The Authority declared him defaulter in April 1990 and the balance work costing about Rs.121,481 allotted to another contractor at his risk and cost in July 1991, but the risk and cost amount was not recovered from him.”

25-06-2002: 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 30 November 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-B-1: Page 210 – Non-Recovery of Income Tax – Rs.48,236**

Audit had observed: “The Authority made payments to different contractors, but did not deduct income tax at source as required by section 50 of the Income Tax Ordinance 1979. Government was deprived of its revenue of Rs.48,236 due to non deduction of the tax in 1989-90.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **3. Para I-C-1: Page 211 – Lease Money of Land – Rs.2,607,977**

Audit had observed: “The Authority allotted state land on lease to different tenants, but did not recover the lease money from them as per Rule 4.3(a) and 4.5 of the Departmental Financial Rules (DFR). The agency did not take timely action under the rules and the government was deprived of its revenue of Rs.2,607,977 upto December 1991.”

**25-06-2002:** 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.

## **4. Para II-1: Page 211 – Non-Accountal of Government Money – Rs.46,359**

Audit had observed: “An amount of Rs.46,359 was drawn from the bank on account of electricity charges between September 1989 and July 1990. The record of the authority was silent whether or not the amount drawn from the bank was deposited with the concerned agency.”

**25-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.



# Population Welfare Department

## Overview

<b>Total Paras</b>	<b>Civil</b>
<b>4</b>	<b>4</b>

## Abstract

<b>Status</b>	<b>Decision</b>	<b>Para Nos.</b>	<b>Total</b>
<b>Paras Conditionally Settled</b>  <b>4</b>	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.	<b>Civil:</b> 19.1, 19.2, 19.3, 19.4	<b>4</b>

**Discussed on 18 June 2002**

## Civil Audit

### **1. Para 19.1: Page 158 – Embezzlement of Sale Proceeds of Contraceptives – Rs.323,231**

Audit had observed: “The stated amount on account of sale proceeds of contraceptives was either not deposited at all or less deposited by preparing bogus challans and adding figures on challans after payment into the bank.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para 19.2: Page 158 – Non-Deposit of Rs.104,450 and Rs.96,800 on Account of I.R.C (Hospital Service) into Government Treasury**

Audit had observed: “ The amounts of Rs.104,450 and Rs.96,800 were paid to District Headquarter Hospital and Maternity Hospital, Sahiwal respectively on account of IRC (Hospital Service) against 2089 and 1939 cases operated in these hospitals. The amounts on account of hospital service should have been deposited into the Government Treasury, but no account was shown.”

**18-06-2002:** 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 30 November 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 19.3: Page 159 – Embezzlement of Rs.100,200**

Audit had observed: “Before encashment of seven cheques issued to the bank amounts originally recorded in figures and words were altered/tampered with by adding digits and words thereby enhancing the amounts fraudulently. Moreover a bank draft of Rs.30,200/- shown issued vide cheque No.056853 in favour of Director (BA), Islamabad, was not received by the quarter concerned and was embezzled.”

**18-06-2002:** 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 30 November 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 19.4: Page 159 – Unauthorized Payment of Secretariat Allowance – Rs.21,139**

Audit had observed: “Secretariat allowance amounting to Rs.21,139 was paid to two officers while posted as Director General, Population Programme. This allowance was not admissible to them as their office was not a part of the Punjab Secretariat. This un-authorized payment was pointed out during audit for the year 1989-90, referred the matter to Admn. Deptt. In 3/91 and remained in 6/91 but no reply was received.”

**18-06-2002:** 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 30 November 2002. Finance Department shall monitor the implementation of the directive of the PAC.

# Services, General Administration and Information Department

## Overview

Total Paras	Civil	Commercial
4	3	1

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  <b>1</b>	The para was noted as no further action was required because it was of descriptive nature.	<b>Commercial:</b> 3(xxiv)	<b>1</b>
<b>Paras Finally Settled</b>  <b>1</b>	Para finally settled as the requisite action had been taken.	<b>Civil:</b> 20.3	<b>1</b>
<b>Paras Conditionally Settled</b>  <b>2</b>	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.	<b>Civil:</b> 20.1, 20.2	<b>2</b>

**Discussed on 11 October 1995, 18 and 26 June 2002**

## Civil Audit

### 1. Para 20.1: Page 160 – Loss of Rs.599,338 Due to Non-Recovery of Amount From the Private Clearing Agency During 1985-90

Audit had observed: “The amounts were recoverable from the Private Clearing Agency on account of demurrage charges due to their negligence for not clearing the store in time. The amount was debited to the Consignee’s Account in order to allow undue benefit to the private clearance agency, although the payment of their bills during the period was made in other cases, but the stated amount was neither recovered nor any effective steps taken by the Liaison officer for recovery of the same.”

**11-10-1995:** The SGA&ID explained that client Departments were responsible to pay the demurrage as they did not provide complete documents to the clearing agent in time. The SGA&ID acted only as a Liaison for these imports. However, no inquiry had been held to find out the factual position and fix responsibility. The PAC directed that Audit Department and SGA&ID may scrutinize the cases afresh to see whether or not the clearing agent was at fault. This action be completed within one month. The para was kept pending.

**18-06-2002:** 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 30 November 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 20.2: Page 160 – Loss of Rs.527,631 Overpayment to a Clearing Agency**

Audit had observed: “The stated amount was overpaid to the firm for clearing/ forwarding Govt. Stores.”

**11-10-1995:** Audit pointed out the loss as Rs.527,631 while the Department stated the loss as Rs.352,854 with a difference of Rs.174,777. The Public Accounts Committee directed the Department to reconcile the figures of loss with Audit and effect the recovery at the earliest. The para was kept pending.

**18-06-2002:** 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 11 October 1995 by 30 November 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 20.3: Page 161 – Unauthorised Retention of Government Money on Account of Refund of Custom Duty & Sales Tax – Rs.9,033,532**

Audit had observed: “The stated amount was received as refunds on account of custom duty and sales tax from the custom authorities. The Liaison Officer instead of crediting the amount to the receipt head of the consignee concerned, sent the amount to the Director of Industries and Mineral Development Department Punjab, (supply wing.) for doing the needful. The said amount was not credited to the Government account by the Director of Industries and Mineral Development Punjab but kept in the Account No.3193 National Bank of Pakistan Chauburji Branch, Lahore in the name of Authentication Officer, without the approval of the Finance Department since 1973. On disintegration of the directorate of Industries and Mineral Development Department from 1.7.85, the amount was transferred to Services, General

Administration & Information Department. The Departmental Accounts Committee in its meeting held on 25-27 July, 1989, decided that para may be transferred to Director of Industries and Mineral Development Department for necessary action as the irregularity related to the period ending 30-3-85. The Director of Industries was accordingly requested to comply with Departmental Accounts Committee decision on 1.1.90. The Director intimated vide letter No.D.I/Audit/1-4/9589, dated 1.3.90, that since the record prior to 1.7.85 was transferred to Secretary Services General Administration & Information Department therefore, the matter be taken up with Services General Administration & Information Department. Despite issue of several reminders, Services General Administration & Information Department has not responded to the audit.”

**11-10-1995:** The Department explained that entire amount collected as refund of custom duty & sales tax had been deposited into National Bank of Pakistan. This fact had also been verified by Audit. The explanation was accepted and **para was settled.**

## Commercial Audit

### **1. Para 3(xxiv): Page 6 – Non-Compilation of Accounts – 1990-91 to 1991-92**

The Thal Industries Corporation Limited.

**26-06-2002: The PAC noted** the contents of the Audit para and directed that the Department shall 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

## Overview

<b>Total Paras</b>	<b>Civil</b>
<b>1</b>	<b>1</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Conditionally Settled</b>  <b>1</b>	The para was settled with the direction that the Department shall implement the directive of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee within six months.	<b>Civil: 21.1</b>	<b>1</b>

**Discussed on 18 June 2002**

## Civil Audit

### **1. Para 21.1: Page 162 – Loss to Govt. Due to Long Storage Amounting to Rs.162,506**

Audit had observed: “Vide D.G. Social Welfare, Lahore orders No.D.S.W.21-DIH-Misc/82-28336-43 dated 12-09-85 all the dumped items of District Industrial Homes in Punjab were requisitioned at Lahore for display to public for auction through advertisements in local daily newspapers. A number of 18 district industrial homes were shown to have despatched their manufactured costumes, decoration pieces, leather products, house linen products etc. to Lahore Headquarter where these articles valuing Rs.197156 were auctioned on 10<sup>th</sup>. March, 1987 for a nominal value of Rs.34650-00 causing a loss of Rs.162506-00 to Government.”

**18-06-2002:** 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 30 November 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.



# Transport Department

## Overview

Total Paras	Revenue Receipts	Commercial
<b>5</b>	<b>1</b>	<b>4</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b> <b>1</b>	The para was noted as no further action was required because it was of descriptive nature.	<b>Commercial:</b> 3(xx)	<b>1</b>
<b>Paras Conditionally Settled</b> <b>4</b>	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.	<b>Commercial:</b> 12,13,14	<b>3</b>
		<b>Revenue Receipts:</b> 4.1	<b>1</b>

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

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

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

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

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

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

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

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

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

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

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

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

**Dated Lahore the, 20th October 2000**

Copy forwarded for information to:-

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**Under Secretary (M-1)**  
**Government of the Punjab**  
**Finance Department**

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