

Report (1996-97)

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Accounts Committee

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 vested 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, on the basis of Appropriation Accounts, Finance Accounts and Audit Reports prepared by the Auditor-General, and 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. The Committees examine with reference to the facts of each case the circumstances leading to any excess expenditure, and make appropriate recommendations.
3. Under the Proclamation of Emergency, the Assembly was placed under suspension with effect from 12 October 1999; and, with that the two Public Accounts Committees, consisting of the elected representatives, also ceased to function. Later, the Assembly was dissolved with effect from 20 June 2001.
4. The audit reports for the years 1986-87 to 1996-97 were under consideration of the former Public Accounts Committees. Out of 8698 audit paras pertaining to those years, the earlier Committees had settled some Grants and 2570 paras. However, a heavy parcel of pending appropriation accounts and 6128 audit paras required immediate attention.
5. To clear the heavy backlog, 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 1999 (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*).
6. The Committee initially consisted of eleven members; *viz.*- Mr Riyaz Hussain Bokhari

(Chairman), Prof Dr Khalid Hameed Sheikh, Prof (Retd) Dr Ejaz Ahsan, Major General (Retd) Muhammad Akram, Mr Muzaffar Mahmood Qureshi, Mian Abdul Qayyum, Mr Aftab Ahmad, 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) Dr Ejaz Ahsan resigned after a few meetings.

7. The Committee considered Appropriation Accounts and 1548 audit paras (1996-97) in 125 meetings. Out of 47 Grants in the authorized budget for 1996-97, the Committee was able to settle 33 Grants after reconciliation of figures. The remaining Grants were kept pending for necessary reconciliation. The Committee settled 649 audit paras conclusively and 339 paras, subject to the desired action by the departments. However, the Committee had to pend 560 paras as sufficient action had not been taken by the departments, and in some cases the working papers had not been submitted.

8. Although the Press was not invited to the meetings, press releases were regularly issued to keep the public informed about the main issues and audit objections or irregularities discussed and the directions given by the Committee.

9. The Committee took keen interest in examining the accounts and audit paras, and showed considerable patience even in the face of some very unusual impediments. It met frequently and for long/ hours. The Chairman and the members candidly used their diverse experience and expertise to expedite the work in hand, and to guide and advise the departments for the improvement of the system and procedure. Assembly Secretariat received excellent stimulus and direction from them. But for the contribution and assistance from the members, the preparation of this Report, on more practical lines, would have been difficult.

10. The Report of the Committee is arranged in 27 Chapters. Chapter 1 consists of general observations and recommendations of the Committee; Chapter 2 contains a summary of the deliberations of the Committee about the Appropriation Accounts; and, Chapter 3 includes the observations of the Committee with regard to the Finance Accounts of the Government of the Punjab. The remaining Chapters deal with the audit paras, arranged separately for each department. A synopsis containing an overview of each department has also been added as a ready reference.

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

18 February 2002
Najmee)

(Dr Syed Abul Hassan

Secretary
Provincial Assembly of the

Punjab

AUDIT REPORTS

(1996-97)

ABSTRACT

Appropriation Accounts

Total Grants	Grants Settled	Grants Pended
47	33	14

Audit Paras

Total Paras	Civil	Works	Commercial	Revenue Receipts
1548	481	595	89	383

Status	Decision	Total	
Paras Finally Settled 649	Paras finally settled as the requisite action had been taken.	Civil 231 Works 243 Commercial 59 Revenue Receipts 116	
Paras Conditionally Settled 339	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the departments shall report compliance to the Public Accounts Committee every six months.	Civil 94 Works 95 Commercial 14 Revenue Receipts 136	
Paras Pended 560	Paras pended as the department had not taken satisfactory action/did not submit Working Papers.	Civil 156 Works 257 Commercial 16 Revenue Receipts 131	

Introduction

It is axiomatic that government officials and entities should be accountable for the management of public finances, the use of resources entrusted to them and the results achieved. They have an obligation to answer for the responsibility that is conferred on them through the provision of financial authority and powers.

2. Since it is the Legislature which authorizes the budgetary allocation of funds for the government's operations and programmes, it has the right and responsibility to examine and review the manner in which the funds have actually been utilized.
3. The accountability cycle involves four steps *viz.*, preparation of Auditor-General's Reports on the accounts of government receipts and disbursements; hearings by the Public Accounts Committee to examine the accounts and to discuss the audit observations with the Principal Accounting Officers; formulation of its recommendations and forwarding them to the authorities concerned; and the response of the executive authorities to the whole exercise. The timeliness and comprehensiveness with which these steps are undertaken and completed determine the efficiency and effectiveness of the entire process of accountability.
4. The members of the *Ad hoc* Public Accounts Committee felt that the role of Public Accounts Committee should not be restricted to seeing whether the administrative machinery was working within the constitutional, legal and financial framework in discharging its responsibilities, but it should also see whether the existing system, procedures and arrangements for financial control and watching public interest were adequate and result-oriented, and how these could be improved to make them more efficient and cost-effective, and less cumbersome for the people.
5. In its first meeting on 15 November 2000, the *ad hoc* PAC noted that while all the old and new accounts and audit reports/paras were important, the objectives of accountability would be better achieved if the latest reports were considered first so that the officials responsible for financial irregularities could be called upon to explain their position and appropriate action initiated at the earliest. It was accordingly decided that the Committee would take up the accounts and audit reports for the latest three years first.
6. The Finance Department was asked in December 2000 to prepare Excess Budget Statements as per recommendations of the PACs in the reports already submitted. The Department was also directed to examine the Budget Manual and other Financial Rules with a view to updating and harmonizing them with the present conditions.
7. Repeated opportunities had to be extended to many of the administrative departments for such purposes as initiating proper action for settlement of audit objections, getting verifications completed, producing for Audit scrutiny the requisite records/documents and reconciling figures of actual expenditure and of the final Grants, etc. The examination of some of the departments had to be deferred and rescheduled on their request because of their pre-occupation with urgent work like wheat procurement, desilting of canals and making arrangements in connection with

the Devolution Plan.

8. During its examination of various audit reports, the Committee directed that recoveries amounting to Rs.125,287,787 should be made from the concerned officials, contractors and suppliers. This is in addition to the recoveries effected and adjustments made by the departments on their own in response to the audit reports. Disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 or the Pension Rules was recommended to be initiated against 187 persons. In addition, 21 cases involving defalcations adding up to Rs.90,427,489 were considered fit for reference to NAB/RAB authorities for deeper probes and expeditious proceedings under the Bureau's special powers.

9. Among the important responsibilities of the Committee is to satisfy itself that the public funds placed at the disposal of government departments and agencies were spent with due regard, *inter alia*, to considerations of economy, efficiency and effectiveness. For this purpose the Committee selected and invited the departments of Agriculture and Forest, Kasur Development Authority and the Punjab Health Foundation to make presentations about their plans, programmes, activities, resources, budgets, expenditures and achievements. After these presentations, detailed discussions were held with the departmental representatives and the concerned Principal Accounting Officers on various aspects of their operations and on issues arising out of the extent of success (or failure) in achieving objectives, determination of targets, allocation of resources, methods adopted for watching performance and controlling costs, efficiency of organization, system of internal controls, etc. Among other things, they were advised to define clearly their vision and spell out the mission statements for their departments which should be in harmony with the national aspirations; they should also give serious and urgent thought to introducing information technology and make arrangements for better in-service training, operations and supervision. They should evolve appropriate criteria for watching the efficiency, economy and effectiveness of the performance and outcomes of their projects and programmes.

10. The Committee has had an opportunity of reviewing the practice followed earlier of keeping audit paras pending for extended periods and not settling them until the relevant decisions/directives of the PAC had been fully implemented. After examining the provisions of the Punjab Budget Manual and other relevant documents/practices, the Committee came to the conclusion that—

(a) the function of the Committee is to evaluate the respective contentions of the audit and the administrative departments, to ascertain the facts, to determine a course of action, and to give the necessary directions, including the direction for recovery of public money;

(b) the implementation of the directives of the Committee is the basic responsibility of the department concerned; and

(c) Finance Department is required to monitor and oversee the implementation of

the directives/decisions of the Committee.

11. The Committee, therefore, requested the Finance Department to mobilize its Monitoring Wing and direct it to take effective steps for timely implementation and monitoring of PAC decisions. It should also ensure that the provisions of paras 16.25 and 16.26 of the Punjab Budget Manual are strictly followed. These paras require, *inter alia*, that –

(a) the recommendations/decisions of the PAC are duly considered and the orders passed on them are communicated to the audit office concerned; and

(b) a statement showing the action taken each year on such recommendations is prepared and placed before the Committee for consideration and incorporation in its next report.

12. The Annual Report of the Finance Department in pursuance of these provisions is still awaited.

13. The Committee was provided excellent assistance by the staff of the Provincial Assembly, who had to sit late hours day after day for the purpose of facilitating the Committee's work by collecting and distributing working papers in time for the meetings, to record and circulate minutes and promptly to locate and quote references, when needed, to previous decisions and directives of the Public Accounts Committees. The Committee would also like to place on record its appreciation of the hard work put in by the representatives of the Audit and Accounts Department in preparing, sometimes at very short notice, their comments on the departmental explanations, and then assisting the Committee during discussion of the paras and accounts.

14. The *ad hoc* Public Accounts Committee is particularly grateful to Dr Syed Abul Hassan Najmee, Secretary, Provincial Assembly of the Punjab, who attended the Committee's meetings in response to special invitation, often by deferring his normal work. He assisted the Committee by clarifying a number of points of law and the Constitution, provided advice and guidance on matters of proper procedures and precedents during the Committee's deliberations, and in addition kept on reminding the Principal Accounts Officers personally to forward their working papers in good time. His suggestions in connection with the formats of the working papers and this report are highly appreciated.

RIYAZ H.

BOKHARI

Chairman

Ad hoc Public

Lahore, February 2002
Accounts Committee

General Observations and Recommendations

I-The Accountant General

Appropriation Accounts – Compilation and Reconciliation

1. During its scrutiny of the Appropriation Accounts, the Public Accounts Committee (PAC) has to satisfy itself, *inter alia*, that the amounts shown as disbursed were legally available for the service or purpose on which these were applied. This requires that the figures of actual expenditure as reported in the accounts for each Grant or Appropriation and sub-heads for objects and functions should not exceed the amounts voted/charged and authorized for the relevant Grants/Appropriations. In case the authorized grant (or its sub-head) has been exceeded, the Principal Accounting Officer (PAO) has to explain the reasons to the satisfaction of the Committee so that it may recommend that the excess should be covered by an Excess Budget Statement or *ex post facto* re-appropriation. In case of substantial savings, the PAOs may be required to explain why the surplus funds could not be surrendered in time for utilization elsewhere.
2. A pre-requisite for this exercise is that the PAO should first accept as correct the amounts in the printed Appropriation Accounts of the Grants and actual expenditure for which he is accountable. To its dismay, the Ad hoc PAC found that in a number of major Grants/sub-heads, the departmental representatives/PAOs challenged the accuracy of the figures in the Appropriation Accounts. The Accountant General (AG) explained to the Committee that the departments had been remiss in following the prescribed procedures for bringing to his notice, during the course of the year, any discrepancies in the expenditure figures as compiled by his office. He added that they had been given enough time to point out the differences before the entire year's figures were incorporated in the printed Appropriation Accounts, but his office had not been advised about any corrections.
3. There seemed to be a general lack of understanding at the PAOs level of the pivotal importance of Appropriation Accounts compiled by the AG and their timely reconciliation with their own record. Some lapses were found at the levels of AG's office and the District Accounts Officers (DAOs) as well. Apparently, most of the departments were not maintaining the mandatory registers/records without which reconciliation of figures is very difficult. Even the present system of monthly reconciliation between the AG and the departments is (according to the AG) not meeting the desired level of success because

of poor response from the departments. Finance Department (FD) should intervene to ensure that the prescribed procedures for this function are followed without exception, otherwise the whole process of enforcing accountability in the area of the expenditure remaining within the authorized amount will continue to remain vitiated.

4. As mentioned above, the expenditure figures printed by the AG differed from those compiled by the Administrative Departments (ADs) more often than not. This was stated to be due mainly either to misclassification or the DAOs having reported different sets of figures to the AG and to the Drawing & Disbursing Officers (DDOs)/PAOs. It was difficult to conclude whether the difference of figures was due only to procedural lapses and carelessness or, possibly, due to a *mala fide* action at some level. In the absence of reconciliation not only are the departments unable to exercise effective control over the flow of expenditures but the PAC also is greatly handicapped in satisfying itself that the excesses and savings in the accounts depict the true state of affairs. This is particularly disturbing when the figures reported by a PAO are lower than those of the AG and after reconciliation the latter accepts the department's figures. This state of affairs is quite alarming and warrants a serious review and revamping of the procedures for compilation of accurate Appropriation Accounts and their timely reconciliation. In many cases even the figures of final Grants and Appropriations themselves were challenged by the departments. In the absence of reliable accounts, it will not be possible to determine the correct amounts of excesses and savings and to enforce accountability for any unauthorized disbursements, losses, frauds etc on a firm and rational basis.

5. Misclassification

a. The most common reason given for non-reconciliation of the figures in the printed Appropriation Accounts was misclassification of expenditure as booked in the accounts offices. Apart from carelessness and inefficiency, the main excuse put forward for errors to creep in the accounts was that the classification system of the Grants and their division into heads and sub-heads was rather archaic and often confusing; there are overlaps and duplications between and within the departments. There is a need to revise the classification system to eliminate the confusion and make it easy to understand and follow at the level of the officials who have to use it at the critical, initial stages. Also, once a misclassification is detected, it must be traced right up to where the transaction should have been booked correctly in the first place to ensure that the amount has only been misclassified and not misappropriated or spent fraudulently. This was often not done by the AG's office when accepting the departmental figures in place of the

amounts printed in the Appropriation Accounts.

b. Misclassification by DAOs, and in some cases by the AG's office itself, is a very frequent occurrence. The AG has started taking action against the offenders but the malady itself appears to be of a more serious nature which raises a number of fundamental questions. During the course of its discussion of some cases of misclassification, the Committee felt that the compilers of figures and book-keepers in the AG's office should have been trained and experienced enough to detect and correct obvious cases of misclassification. It is therefore necessary for the AG and the DAOs to go into the whole matter in detail in order to identify the points at which, and the reason on account of which, complaints of misclassification arise (especially in SAP and non-SAP accounts) and are not brought to the notice of the PAOs sufficiently ahead of their appearance before the PAC.

Other Functions

6. Duality of Control over DAOs. AG Punjab informed the Committee that he is currently engaged very earnestly to deal with the problems created by the duality of control over the DAOs. A majority of DAOs are still under the provincial government's administrative control and the AG feels hamstrung in exercising full control over the efficiency and accuracy of their work. It is stated to be one of the major impediments in the Appropriation Accounts not being reconciled in time. This duality of control must be removed in the interest of efficient and effective financial control and proper maintenance and compilation of accounts.

7. Computers in AG's Office. In one of its meetings, the Committee was informed by the AG that salaries of 100-150 officials/officers were "dropped" every month due to some problems of control and data input in the computerized system in his office. This state of affairs cannot be viewed with equanimity and calls for immediate action for the proper maintenance and protection of the computerized system to eliminate hardships to the persons concerned, and to eliminate chances of incorrect or unauthorized payments and inaccuracies in the accounts.

8. Incomplete Record of Works Expenditure. The Committee found that some confusion exists in the methodology of keeping accounts for the total expenditure of the Works departments. The PAOs concerned were usually not able to accept the

expenditure figures added in their (Works) accounts as the so called “AG’s portion.” There were problems in reconciliation of total figures shown in the printed Appropriation Accounts. For proper accountability, the Finance Department has to take note of this problem and specify clearly the purposes for which the AG can be called upon to make disbursements relating to the Works departments, and then to ensure that these are promptly reported to the PAOs concerned for acceptance and incorporation in their records.

9. Grants Shared by Several Departments. The Committee noted that the AG faced some practical difficulties in maintaining correct accounts for those Grants which are shared by several departments e.g. No. 36 (Development) and No. 10 (General Administration). There should be a distinct number or a separate Grant for each department. The Committee suggests that the Government may consider this proposal for effective control over the budget and accountability of the PAOs.

II-The Finance Department

10. Finance Department has the responsibility of maintaining efficiently a huge and complex system of financial management. It appears that there is a great need to enhance its effectiveness. It should consider a rationalization and decentralization of some of its comparatively less important functions. Extensive use of latest MIS and IT techniques should be considered urgently.

11. Some aspects of its functions which need attention are discussed in paragraphs 12-33 which follow.

Monitoring of Action on Audit Paras

12. Action on audit paras by the ADs is usually very slow. The departments perhaps take no notice of the contents of the Audit Report so long as they are not required to appear before the PAC. The Monitoring Cell of the Finance Department has a very important role to ensure that the departments take expeditious action to settle the advance and draft paras through the Departmental Accounts Committees (DACs) and the Special DACs (SDACs). The review and monitoring of necessary action should not stop even after the inclusion of the paras in the Audit Report to be considered by the PAC.

13. PAC's directions to the departments and subsequent actions taken by them require to be monitored regularly and PAC kept informed periodically. This is a very important link in the chain of expeditious settlement of paras and must not be ignored by the Finance Department.

Surrenders/Re-appropriations

14. In some cases it was explained that certain expenditures were unavoidable but adequate funds were not provided in time by the Finance Department. The Finance Department accepts the savings that are surrendered by the departments but often it is reluctant to provide, by re-appropriation, additional funds for essential expenditure needed by the departments to complete the work in hand or to settle unavoidable claims. This matter calls for an attitudinal change on the part of the Finance Department which should be willing to look into the additional requirements of funds by departments with an open and helpful frame of mind in the overall interest of achieving positive results quickly and of avoiding unnecessary paper work later on.

15. No money should be thrust on the departments in the last days of the financial year if they don't ask for it or are obviously unable to use it.

16. In order to enable the departments to make surrenders on a more realistic basis, the cut-off date for the statement of surrenders presently fixed at 31 March, should be reconsidered and moved to 15 May as is the case in the Federal Government.

Deduction at Source-WAPDA Bills

17. The Federal Government has decided to deduct provinces' electricity bills 'at source' from their shares out of the divisible pool. In this situation, the provincial Finance Department ought to inform the departments concerned of the amounts deducted at source on their account, so that they can watch and control the flow of expenditure and maintain proper account against their own allocations for this purpose. If this is not done or done late, which is usual, departments are not in a position to provide full explanations for savings or excesses in their accounts.

Payments by Cheques

18. In order to minimize chances of misappropriation or theft/dacoity of cash, Finance Department should ensure that the existing provisions of the Rules regarding making of payment by cheques to suppliers and contractors are complied with by all concerned. It was noted that the DAOs did not make payments by cheques but they authorized the DDOs to draw cash on passed bills and then make payment to the parties concerned. The AG did not issue separate cheques on each bill but issued one cheque in favour of the DDO for the consolidated amount of several bills. The DDO then had to obtain the cash for payment to different parties. The Committee recommends that for proper control the cheque system should be introduced in the District Accounts Offices, and the AG should issue cheques payable to actual payees instead of to the DDOs. In order to reduce the risk of loss/dacoity of cash, payment of salaries of all government servants should be arranged through banks.

Cheques Payable only up to 30 June

19. Towards the close of the financial year, AG puts a stamp on cheques stating that these are payable only up to the 30th of June. This is done even on the cheques issued on that very date. This procedure has been adopted reportedly on instructions from the Finance Department. It takes a long time to issue another cheque in place of the one which cannot be cleared on the last day of the financial year. The Committee feels that this practice needs to be reviewed and its pros and cons weighed in the context of proper control and accounting on the one hand and avoidable inconvenience and paper work on the other.

Rules and Regulations

20. Rules and instructions of the Budget Manual need to be followed by the departments in letter and spirit. This will obviate a lot of administrative/regularizing actions at later stages. Finance Department should ensure that its rules are rationalized/simplified, where needed, and that these are understood and followed, as for example the rules and regulations concerning limits on the use of telephones & vehicles, maintenance of log books, and imposition of penalties etc.

21. All rules and instructions need to be updated regularly, particularly those regulating

delegation of financial and administrative powers, issuing NOCs etc. These should be periodically looked into for their continued validity in the rapidly changing socio-economic and technological scenario. In particular, the maximum limit of imprest money and the scope of items on which imprest money can be spent should be reviewed and rationalized in the light of the prevailing conditions and ground realities.

22. The issuance of `substituted letter bearing the same number and date' involves legal complications as both the original and the substituted letters, with different contents, remain in the field. In case these letters contain financial sanction, they may result in double payment of the public funds. The Government must issue suitable instructions to check the practice.

Suspense Accounts

23. Apparently a feeling of 'free-for-all' prevails among primarily the Works departments, with regard to the suspense accounts. They continue to spend in excess of their Grants for the sub-head "suspense" and often in obvious violation of existing rules and instructions by resorting to the use of suspense accounts as a form of revolving fund and considering that the credit adjustments relating to previous debits automatically provide the authority to exceed the amount of the Grant.

24. In its meeting on 15 March 1995, the then PAC considered the issue and appointed a Sub-Committee for further examination of the matter. The Sub-Committee had meetings with all the concerned departments and made the following recommendations:-

"In view of the above conflicting contentions regarding the operation of Suspense Head, the Sub-Committee decided that all the Works Departments may hold a meeting with the Finance Department to thrash out the matter and arrive at a conclusion. The Law Department as well as the Auditor-General of Pakistan may be consulted in the matter. In the said meeting it may also be decided whether the allocation made under the Suspense Head is a fixed grant or a revolving fund and whether expenditure under Suspense Head can be made against a scheme for which allocation is available but release has not been made."

25. The ad hoc PAC was surprised to learn that the advice has not so far been acted upon. The misuse of the suspense account goes on unabated. Confusion still remaining

in the minds of even the senior officers must be removed without delay and the correct procedure enforced. Outstanding balances may be reviewed and necessary steps taken by the Finance Department to clear them without loss of time. These accounts have huge amounts which are still recoverable from various parties. The Committee recommends that as per the advice reproduced in para 24 above, appropriate decisions should be taken and emphatically implemented.

Personal Ledger Accounts (PLAs)

26. During its examination of the Appropriation Accounts the Committee was informed by some departmental representatives that amounts placed in the Personal Ledger Accounts (PLAs) of their designated officers did not all lapse at the end of the financial year, and could therefore be drawn upon in subsequent years in addition to the authorized Grants for those years. This arrangement appeared to the Committee to be in violation of the spirit of the established and generally understood financial provisions for the authorizations and disbursements from the Consolidated Fund. These require that no expense should be incurred in a year unless it is authorized by the Legislature, and such authorization is included in the Schedule of Authorized Expenditure for that year as authenticated by the Chief Minister. The Committee, therefore, sought clarifications from the Finance Department and discussed the implications of the PLA arrangements in a meeting with Secretary Finance and the Accountant General.

27. The Committee was informed that the provincial government places the budgetary allocations in the PLAs and these allocations lapse at the end of the financial year. It was stated that practically these lapseable PLAs were within the Provincial Consolidated Fund. However, in the case of autonomous bodies the provincial contributions/grants are placed in non-lapseable PLAs, and ultimately become part of the Public Account.

28. The Committee noted that the Constitution provides a clear distinction between the Provincial Consolidated Fund (made up of all revenues and loans) and the Public Account (all other moneys). It was not clear how exactly the transactions of opening a PLA for a government functionary (a Drawing & Disbursing Officer) and its lapse at the end of the year are recorded in the accounts by the AG and the Finance Department, and reflected in the Appropriation Accounts and the Finance Accounts of the Government. If PLAs are classified as a part of the Public Account under the accounting classification, these can hardly be treated as practically falling within the Provincial Consolidated Fund!

- 29.** According to the Finance Department, the provincial government has not allowed any non-lapseable PLAs except PLAs of autonomous bodies. At the same time, the Department plans to review any non-lapseable PLAs allowed in the past and convert them into lapseable PLAs so that constitutional requirements are strictly observed.
- 30.** The Committee feels that apart from considerations of conforming faithfully, in letter and spirit, to the clear provisions of the Constitution, the pros and cons need to be re-examined in some depth of operating PLAs for execution of government programmes. This is particularly called for in the context of maintaining financial discipline and strengthening the effectiveness of internal and supervisory checks on disbursement procedures.
- 31.** Another point which needs to be examined is whether it is proper for the Finance Department to retain in the Government's Public Account the funds belonging to autonomous bodies which have their own fund accounts under their respective laws.
- 32.** The Committee recommends that Finance Department may—
- a.** Urgently examine the matter and take an appropriate decision in the light of the provisions of the Constitution as well as the principles of effective financial management, and proper controls over disbursements and accounting of public moneys;
 - b.** Review all the existing PLAs in the light of the decisions taken; and
 - c.** In future, authorize PLAs only in cases of urgent necessity for limited periods and strictly in accordance with the provisions of the Constitution as well as the norms of propriety and constructive financial management.

Loans to Municipalities

- 33.** The practice of extending loans instead of grants-in-aid to Municipalities and Development Authorities has long been continuing and huge amounts are outstanding against them. The Finance Department informed the Committee that deductions are

made out of the Municipalities' tax share against repayment of loans; and no deductions are possible in case no amount is available in the tax share. Many of these authorities (perhaps all of them) are not in a position to service these loans, much less repay them in the foreseeable future. In some cases loans were given for non-development purposes such as payment of salaries, picking up deficits, and bridge financing for payment of electricity bills. If the borrowers are clearly known to be not in a position to liquidate these liabilities, these should not be treated as government assets.

III-The Planning and Development Department

Unfinished and Abandoned Development Schemes

34. It was discovered that the Province had been left with a large number of development schemes which were starved of funds or were abandoned, often deliberately, by successive governments. Many of these can be resuscitated by fresh allocation of development funds. It is recommended that a complete survey of these schemes be undertaken by the P&D Department, which already has compiled a list of 2,453 such schemes. As many as 1,011 of these pertain to School Education Projects, 884 to Local Government Department's Programmes, and 263 to the Communication and Works Department. As much as Rs. 3.5 billion were spent on the schemes from which no benefit is being derived. A specific allocation for this purpose will have to be made by the Finance Department to salvage those which are deemed to be still useful. The Committee recommends that this should be done on priority basis.

Allocation of Funds

35. It was also noticed that the P&D Department in some of the projects agreed to provide funds without carefully taking into account the actual progress of work on the ground. This was not advisable as it could lead to diversion and/or misuse of scarce funds.

IV-The Administrative Departments

Preparation of Working Papers for PAC

- 36.** In many cases the working papers containing the department's explanation in response to audit paras are prepared at the last minute, sometimes late at night for consideration in the next day's meeting of the PAC. These cannot be circulated to the PAC members for study before the meeting nor can be sent to Audit with sufficient time for helpful comments. On several occasions, the PAO disagreed with the paper submitted by his department (and approved hurriedly by him). This state of affairs obviously leads to wastage of a lot of time all round. The departments must organize their work in this area in a manner to facilitate preparation of comprehensive working papers well in time.
- 37.** The Accountant General, Punjab and the Director General Audit/Accounts concerned, should watch, with reference to the Appropriation Accounts and Audit Reports, that the working papers for all grants/items of appropriation accounts and draft paras have been submitted to them for comments by the departments concerned. Deficiency, if any, should promptly be brought to the notice of the Department concerned as well as the Secretariat of the Public Accounts Committee.
- 38.** The Government must issue instructions to all concerned that the business of the PAC is given the same priority as is assigned to the Assembly Business under the Punjab Government Rules of Business. Special labels of "PAC Business" should be used to attract immediate attention of all concerned.
- 39.** Similarly, cases of inquiries relating to the audit paras must be given high priority and expeditious disposal of such cases at all levels be ensured.
- 40.** Finance Department should also issue directions that copies of references made by the departments for obtaining sanctions for write off or regularization in respect of matters pending before the Public Accounts Committee should be provided to Audit, and the number and date of the letter be quoted in the working papers prepared for the Public Accounts Committee. Finance Department should conclude such cases on top priority basis.

Action on Audit Paras

- 41.** Non-action on Audit observations and paras at initial stages was one of the serious lapses on the part of almost all the departments. Audit paras are seldom seen by the heads of the departments in good time. Files seem to hibernate for years and are pulled out only after a notice for PAC meeting is received. By that time most of the individuals

concerned have either retired or some of them have even passed away. There is a dire need, therefore, to institute a mechanism under the direct control/direction of every PAO which should devise Standard Operating Procedures (SOPs) to initiate concerted action as soon as an audit para is received and the progress on its disposal should be closely watched till it is ready for settlement at the appropriate forum. Departments must use the mechanism of DACs and SDACs to settle the paras as soon as possible. This would greatly help in reducing the work load of the PAC as well.

42. The Committee also recommends that Finance Department should issue instructions that DACs should also monitor the progress on the implementation of the directives of the Public Accounts Committee in respect of the paras considered by it.

43. The Committee further suggests that the Government should issue necessary instructions that charge sheets in the disciplinary cases emanating from audit paras, be shown to Audit to ensure that the relevant audit observations have been adequately covered in them.

44. Departments must strengthen their system of fact-finding and conducting formal enquiries regarding audit paras. Legal/disciplinary action against those found to have caused losses by committing irregularities and misappropriations should be initiated without delay in a deliberate and professional manner. Terms of reference for the officers carrying out probes and formal enquiries under disciplinary rules should be carefully framed to include the vital aspects and core issues of the audit objection, such as recovery of dues.

45. The Committee found that many audit paras had been drawn up merely because the relevant record was not produced to Audit at the proper time. The Committee was forced to adjourn such paras for verification of record. The Government should issue directions to all concerned that all the relevant record should be produced to Audit at the appropriate time. Disciplinary action may be initiated against those who fail to do so.

Misuse of official vehicles

46. The Committee noticed that the official vehicles belonging to various departments, attached departments or autonomous bodies were misused either by the ministers or the staff of the ministers, or by the employees of the organization itself. The Committee emphasizes that the Government should devise a strategy to guard against the misuse of official vehicles at all levels.

Training of Personnel

47. One of the reasons for many financial irregularities was the wide spread lack of training among the officials in office procedure and practices and especially in the

financial and accounts matters. The Government should make necessary arrangements for training on regular basis of the personnel belonging to various disciplines.

Internal Controls and Audit

48. Each department should set up a special cell manned by well qualified and trained staff from within the department, to deal with financial/accounting matters including disposal of audit paras. This staff must work directly under the Head of the Department.

49. It appears that the accounts/audit staff mostly learn their job through trial and error which results in many failures which persist. Also, most of the subordinate and supervisory staff do not hold requisite qualifications in financial disciplines. In fact, both audit/accounts as well as similar subordinate staff of provincial departments should hold certain minimum qualifications, such as passing the departmental or professional institute examinations or a diploma/degree in commerce.

50. The departments which already have a mechanism of internal controls, must augment this mechanism by pooling requisite staff from within their existing establishments. Similarly, the AG's department should augment and strengthen its system of checks before authorizing payments function, so that any slip at the lower tier is identified and removed promptly.

51. Directors of Finance and Accounts of autonomous bodies should be posted from the Finance Department and their annual Performance Evaluation Reports (PERs) should comment on their performance in the accounting and auditing areas. These PERs should be seen and countersigned by the Secretary Finance also.

52. The pre-audit system of the Works departments appears to need a review for improvement. The Divisional Accountants who are responsible for pre-audit seldom figure as co-accused among the rest of the offenders for disciplinary proceedings against them for breach of financial rules and propriety. It is imperative that the Divisional Accountants be duly held liable to disciplinary action along with the offending provincial employees of the administrative departments.

V-Finance Accounts

53. The Committee was able to examine just a few aspects of the Finance Accounts for the year 1996-97. A number of discrepancies in the figures were pointed out for discussion with the officers of the Finance Department and the Accountant General. Some of these are described in Chapter 3 of this Report. Many of the accounts and balances shown in the publication need to be reconciled and corrected. In view of this, the Finance Accounts can hardly be regarded as presenting a true and fair picture of the Government's financial position as on 30 June 1997. The Committee suggests that urgent attention should be given to rectifying the errors and to proper presentation of the figures in these accounts if these are to be of any use even as historical record and reference material.

VI-General

Technical Sanctions of Works/Projects

54. In spite of clear and emphatic rules/instructions on the subject, most of the Works departments continued to award contracts and start the work before the Technical Sanctions had been accorded. In some cases the Technical Sanctions were given or substantially amended after the work had been completed. This unhealthy practice undermines the regulatory structure of financial and administrative control over Works expenditure. In a large project, Audit had pointed out major changes in the scope and specifications of various components. The Committee arranged a meeting of the departments concerned to determine who was responsible for violation of the rules but the discussion did not provide a clear-cut answer. In another case, the Committee noted that the laxity in following the prescribed rules had enabled a department to construct an SSP's house out of the allocation for "Taameer-e-Watan Programme". The Committee is of the opinion that there is always enough time to get the detailed estimates approved/amended well in time i.e., before commencing the work or within a reasonable time if any inescapable change becomes necessary. The practice of proceeding with construction works without proper approvals and sanctions should be stopped emphatically and strict action taken in cases of violation.

55. Many irregularities were found in the MNA/MPA sponsored schemes. In almost all such cases, the departments explained that the codal formalities had not been fulfilled on account of political pressure. The Government must take effective steps to curb such malpractices in future.

Lease of State Lands

56. A number of departments have large tracts of agricultural land and other immovable property at their disposal but they fail to put them to optimum use. Some of these have gone under illegal possession and are the subject of litigation because of absence of close supervision and effective control. Much of these lie fallow or are leased out on abysmally low rates. In many cases the produce/income is also mismanaged giving rise to audit paras.

57. The Board of Revenue should carry out an exercise to review the minimum needs of the respective departments for originally stipulated use and acquire/consolidate/resume the rest for a better management and commercial use, in consultation with the Finance Department.

Relaxation of Rules

58. It was noticed that quite a few actions, including cases involving substantial financial input, were approved in relaxation of all rules for no pressing reasons, and by the authority other than the rule making authority. Obviously, the scrutiny of such cases on the yardstick of rules was not possible. The Committee is concerned about the facile practice of wholesale and random relaxation of rules. In a democratic layout, a public authority must act in accordance with law/rules. Generally speaking, relaxation of rules, in a particular case, is tantamount to supplanting the rules. The practice of relaxing rules casually cannot be supported. If and when necessary, rules should be amended to meet with a new situation. However, in a rare case of extreme hardship or pressing emergency, relaxation of rules could be considered. In that case, too, it must be backed up by adequate justification, and should be resorted to only when there is no way out, the amendment of rules is not readily possible or required, and the observance of rules is likely to thwart the public interest. For this purpose, there has to be an appropriate provision in the relevant rules, determining the circumstances in which, the terms and conditions subject to which, and the authority by whom, the relaxation of rules be

allowed.

Management of Departmental Rest/Guest Houses

59. PAC had to deal with a substantial number of audit paras on the misuse of rest houses. Most of the departments and agencies subordinate to them do need these facilities for operational convenience, provided they can manage and control them properly. Most of them do not have proper (or have inadequate) rules to regulate their use.

60. Government may look into this problem with a view to laying down some general guidelines regarding the desirability, the number, the economic viability and conditions for entitlement for their use, maximum period of occupation, etc., of these facilities. While it is desirable to leave the departments and agencies with some flexibility in such matters, a certain amount of advice to regulate this activity would be in the public interest.

Limits on Residential Telephones and Use of Official Vehicles

61. A number of audit paras deal with amounts to be recovered on account of officers exceeding the limits prescribed for their residential telephones. In almost all cases the departments represented before the PAC that the nature of the duties of the officers concerned was such that they had to exceed these limits in public interest. The Committee feels that the existing policy and procedures for controlling expenditure on residential telephones need to be carefully reviewed. Officers who have to deal with emergencies, law and order situations, public relations etc. should not be subject to the same limits as their colleagues of similar status but without such duties round the clock. A realistic refixation of these limits along with a suitable change in the procedure for settlement of telephone bills under which the officers may claim reimbursement up to their prescribed limits after they have paid the bills to PTCL, will clearly reduce the number of audit paras on this subject. A similar review of the limits and procedures for recovery appears to be necessary in the matter of use of vehicles allotted to some officers.

Blanket Permission for Expenditure on Pay and Allowances

62. At present the Finance Department has given a blanket permission to the accounts

offices to go on making payment of salaries of staff even if such payments are likely to exceed the budget allocation. This may be desirable from the point of view of staff welfare but it is also fraught with the danger of laxity in budgetary control. It amounts to nullifying the double check built in the system wherein the DAOs or AG should not make a payment if there is insufficient or no budget allocation. The department and the accounts officer concerned must be required to approach the Finance Department immediately after the payment with full justification for allocation of additional funds by the competent authority.

Litigation

63. The Committee noted that the Excise and Taxation Department was engaged in litigation with a number of corporations, autonomous authorities and local bodies under the provincial government for realization of property tax. The Committee recommends that instead of going to the courts, the disputes should be settled expeditiously within the government itself. The Department should obtain the advice of the Law and Finance Departments on the legal issues involved in the cases and if the contention of the Excise & Taxation Department is supported the matter should be placed before the provincial cabinet for a decision which should be implemented by the agencies concerned.

64. To avoid litigation amongst Government agencies, Finance Department should devise a mechanism for inter-departmental adjustment of dues within provincial government departments, autonomous and semi autonomous and local bodies.

65. The Committee felt concerned about the casual manner in which the litigation by or against the Government, its agencies and autonomous bodies was generally conducted. In most of the cases, the litigation was handled by junior officials, and lawyers of relatively low-standing. Even some good cases had been lost for want of proper representation and monitoring, and resulted in substantial losses to the Government and its agencies/bodies.

66. The Committee recommends that the Government should take stock of the situation, and devise a scheme for competent and effective representation, steering and monitoring of the litigation by or against it.

Amendments in Laws and Rules

67. A number of audit paras pointed out that large sums of government receipts were outstanding on account of failure to recover rent for space occupied in katchery compounds by various parties, mostly lawyers who maintained their offices there. The

Board of Revenue informed the Committee that the Federal Government was being approached for amendment in the Legal Practitioners and Bar Councils Act 1973 to provide that no advocate will be entitled to vote in the Bar Council elections until he has cleared all the outstanding government dues. The Committee recommends appropriate action on this expeditiously.

68. Similarly, the Committee noted that because of a lacuna in the Motor Vehicles Rules 1969 framed under the Motor Vehicles Ordinance 1965, it was not possible for the Transport Department officials to impose any penalty on those who do not surrender their route permits after their expiry but approach the Department for grant of fresh permits to new owners. This was causing a leakage of considerable amounts of Government receipts. On the suggestion of the Committee, the Transport Department has initiated necessary action for the amendment of the relevant rule in order to remove the deficiency. The Committee recommends that the necessary changes be introduced as early as possible.

Recovery of Government Dues

69. The Committee observed that the existing procedure of recovery of public money through the district administration had not yielded the desired results, and considerable amount of public money had been outstanding for long. Government must devise a more effective system for expeditious recovery of public money.

Management of Students' Fund in the teaching institutions

70. The Committee observed that almost all the teaching institutions received funds on various account from the students. However, there was no law or rules to regulate the levy of and expenditure from the said funds. The funds are spent by the administration of a teaching institution at will. Government should make appropriate law/rules for the management of such funds, and the same should be audited along with other accounts of the teaching institutions.

Autonomous Bodies

71. Certain Universities had allowed 'orderly allowance' and 'Ph.D. allowance' to their employees in contravention of the rules and instructions applicable to the civil servants in the provincial government. Education department was of the view that the

Universities, having adopted the scheme of national pay scales, had no power to make any departure from the said rules or instructions. However, it was argued that the universities were autonomous bodies and their authorities were competent to make any decision.

72. In that context, a general question emerged as to the nature, extent and quantum of autonomy which an autonomous body, including the Universities, could claim *vis-à-vis* the Government.

73. The Committee was informed that the Supreme Court of Pakistan, has observed that the dispensing of autonomy to a Province or to any other body/authority does not imply conferring the right of self-determination, with the right to secede. 'Autonomy' and 'secession' are mutually self-contradictory concepts. Autonomy, within a State, means the power or right of partial self-government. It cannot be construed as complete withdrawal or independence from the Government. The principle squarely applies to the concept of 'autonomy' with reference to a body set up by or under a provincial law.

74. Article 138 of the Constitution provides that the Provincial Assembly may by law, confer functions upon authorities subordinate to the Provincial Government. The provision also makes it clear that a body established under a provincial law remains subordinate to the Government; and, notwithstanding the quantum and extent of autonomy, it can have no claim of independence *vis-à-vis* the Government.

75. Statutory bodies are set up to facilitate the Government in the performance of the functions allocated to it under the Constitution. Such a body can exercise such powers as are devolved on to it under the law. The question whether or not the rules, regulations and instructions applicable to the departments of the Government *per se* apply to an autonomous body be determined on case to case basis in the light of the provisions of the relevant law, and the decisions competently taken by a body and its authorities. Broadly speaking, being subordinate to the Government, an autonomous body cannot materially deviate from the general policies of the Government, without its concurrence.

76. The Committee is of the view that the Government may, with an open heart, yield

to an autonomous body such autonomy and independence as may be necessary for the accomplishment of its objectives. However, it must retain adequate powers and authority to oversee effectively and monitor the policies, the performance and the objectives of an autonomous body as well as its financial management.

77. The Committee recommends that Government may examine the entire issue, and clarify the position to all concerned.

78. At present, the accounts of the Punjab Employees Benevolent Fund and Welfare Fund are not audited by the Auditor General. Since these organizations deal with the money compulsorily deducted at source from the government servants, the Committee suggests that the accounts of these two organizations should be audited by Auditor General of Pakistan.

APPROPRIATION ACCOUNTS

(1996-97)

Overview

Total No. of Grants	Settled	Pended
47	33	14

Abstract

Status	Number and Title of Grant	Details
Grants Finally Settled 32	1. Opium 2. Land Revenue 3. Provincial Excise 4. Stamps 5. Forest 6. Registration 7. Charges on account of Motor Vehicles Act 12. Jails and Convict Settlements 13. Police 14. Museums 16. Health Services 17. Public Health 18. Agriculture 19. Fisheries 20. Veterinary 21. Co-operation 22. Industries 23. Miscellaneous 26. H&PP 27. Relief 28. Pensions 29. Stationery & Printing 30. Subsidies 32. Civil Defence 33. State Trading in Food Grain and Sugar 34. State Trading in Medical Stores & Coal 35. Loans to Government Servants 38. Agriculture Improvement & Research 40. Town Development Nil-Permanent Debt Nil-Interest on Debt and other obligations Nil-Privy Purses.	Table I 31-33
Grants Settled subject to approval of Excess Budget Statement 1	Nil – Repayment of Loans from Federal Government.	Table II 34

Grants Pended**14**

8. Other Taxes & Duties; **9.** Irrigation & Land Reclamation; **10.** General Administration; **11.** Administration of Justice; **15.** Education; **24.** Civil Works; **25.** Communications; **31.** Miscellaneous; **36.** Development; **37.** Irrigation Works; **40.** Roads and Bridges; **42.** Government Buildings; **43.** Loans to Municipalities and Autonomous Bodies **Nil**—Floating Debt.

Table III
35-36

APPROPRIATION ACCOUNTS

The examination of the Appropriation Accounts of the Government of the Punjab is among the primary tasks of the *Ad hoc* Public Accounts Committee. In scrutinizing these accounts, the Committee is to satisfy itself that the moneys accounted for as disbursed were, *inter alia*, legally available for the service or purpose to which applied, were properly authorized and were spent with due regard to regularity, propriety, economy, efficiency and effectiveness.

2. The Accountant General of the Province compiles the audited accounts of expenditure incurred from the Provincial Consolidated Fund during the year in the form of a separate Appropriation Accounts for each Grant specified in the Schedule of Authorized Expenditure authenticated under Article 123 of the Constitution. The amounts of the Original Grant, Supplementary Grant, if any, and Final Grant are shown along with those of the actual expenditure, and the excesses or savings, if any. These are supported by details of expenditure according to the function-cum-object classification, and compared with the approved budgetary allocations for the corresponding sub-heads of the Grant. The Auditor-General of Pakistan records his opinion that the Accounts present a fair statement of the expenditure of the Government of the Punjab.

3. The Committee held detailed discussions with the Principal Accounting Officers to satisfy itself that the actual expenditure during the year 1996-97 had not exceeded the authorized Grants at their disposal, and also that they had valid reasons for showing excessive savings. A pre-requisite for these discussions, obviously, was that the PAO concerned should first accept as correct the figures in the printed Appropriation Accounts of the Grants and actual expenditure for which he was accountable. To its dismay, the Committee found that in a large number of Grants and their sub-heads the PAOs challenged the accuracy of the printed amounts. Apparently, the departments concerned had not followed the prescribed procedure in time to reconcile their own figures with those reported by the AG. The Committee had to defer its examination of the Appropriation Accounts to enable the departments and the AG to reconcile the figures so that the

reasons for excesses or savings could be considered on the basis of agreed accounts. This yielded some progress in reconciliation but 14 Grants remained un-reconciled due to various problems faced by the departments as well as by the AG's office in producing and/or referring to old records and returns. These and some other allied issues have been highlighted in Chapter 1.

4. The results of the Committee's deliberations of the Appropriation Accounts (1996-97) are given in the pages that follow.

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
1. Opium	1,100,000 935,000*	803,586	296,414 (26.94%) 131,414* (14.05%)	Minutes dated 17-2-2001, issued vide PAP-Ad hoc PAC(3)-Vol-I/2001/1097, dated 28-3-2001.
2. Land Revenue	421,608,000 400,000,000*	399,990,000	21,618,000 (5.12%) 10,000* (0.0025%)	Minutes dated 22-1-2001, issued vide PAP-Ad hoc PAC(3)-Vol-I/2001/438, dated 3-2-2001.
3. Provincial Excise	59,624,000 58,150,000*	57,682,814	1,941,186 (3.25%) 467,186 (0.80%)	Minutes dated 17-2-2001, issued vide PAP-Ad hoc PAC(3)-Vol-I/2001/1097, dated 28-3-2001.
4. Stamps	34,908,000	22,484,657 23,172,385*	12,423,343 (35.58%) 11,735,615* (33.62%)	Minutes dated 22-1-2001 and 24-4-2001, issued vide PAP-Ad hoc PAC(3)-Vol-I/2000/438, dated 3-2-2001 and PAP-Ad hoc PAC(3)/Vol-II/2001/2004, dated 21-5-2001.
5. Forest	441,253,000	432,094,734	9,158,266 (2.07%)	Minutes dated 10-5-2001 issued vide PAP-Ad hoc PAC(3)-Vol-II/2001/1976, dated 25-5-2001.
6. Registration	10,396,000 10,323,000*	9,483,318	912,682 (8.77%) 839,682* (8.13%)	Minutes dated 22-1-2001, issued vide PAP-Ad hoc PAC(3)-Vol-I/2000/438, dated 3-2-2001.
7. Charges on account of Motor Vehicles Act	32,335,000	32,916,824 31,893,679*	+ 581,824 (1.79%) (-) 441,321* 1.36%	Minutes dated 17-2-2001 and 28-8-2001, issued vide PAP-Ad hoc PAC(3)-Vol-I/2001/1097, dated 28-3-2001 and PAP-Ad hoc PAC(3)/Vol-IV/2001/3823, dated 17-9-2001.
12. Jails and Convict Settlements	432,674,000 428,495,000*	425,787,970	6,886,030 (1.59%) 2,707,030* (0.63%)	Minutes dated 11-12/4/2001, issued vide PAP-Ad hoc PAC(3)-Vol-II/2001/1589, dated 28-4-2001.
13. Police	5,613,772,000 5,520,619,000*	5,424,879,754 5,383,460,862	188,892,246 (3.36%) 137,158,138* (2.48%)	Minutes dated 17-9-2001, issued vide PAP-Ad hoc PAC(3)-Vol-IV/2001/4144, dated 4-10-2001.

14. Museums	9,302,000 8,395,000*	8,382,697	919,303 (9.88%) 12,303* (0.15%)	Minutes dated 12-7-2001, issued vide PAP-Ad hoc PAC(3)-Vol-III/2001/ 2935, dated 25-7-2001
16. Health Services	5,701,367,000 5,583,000,000*	4,543,795,688	1,157,571,312 (20.30%) 1,039,204,312* (18.61%)	Minutes dated 16-8-2001, issued vide PAP-Ad hoc PAC(3)-Vol-IV/2001/ 3744, dated 11-9-2001

*Continued. . .*Table I *continued*

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
17. Public Health	604,539,000 439,675,000*	427,652,340 425,326,595*	176,886,660 (29.25%) 14,348,405* (3.26%)	Minutes dated 25-26/1/2001, and 7-8-2001, issued vide PAP-Ad hoc PAC(3)-Vol-IV/2001/ 438, dated 3-2-2001 and PAC(3)/Vol-IV/2001/3638, dated 4-9-2001.
18. Agriculture	1,650,001,000 1,417,000,000*	1,383,140,526 1,382,873,550*	266,860,474 (16.17%) 34,126,450* (2.40%)	Minutes dated 13-12-2000 and 7-5-2001, issued vide PAP-Ad hoc PAC(3)-Vol-I/2000/18521, dated 26-12-2000 and PAP-Ad hoc PAC(3)/Vol-II/2001/ 936, dated 23-5-2001.
19. Fisheries	90,765,000	85,725,489 88,289,014*	5,039,511 (5.55%) 2,475,986* (2.73%)	Minutes dated 27-8-2001, issued vide PAP-Ad hoc PAC (3)-Vol-IV/2001/3822, dated 17-9-2001.
20. Veterinary	660,487,000 643,843,000*	634,555,371	25,931,629 (3.92%) 9,287,629* (1.44%)	Minutes dated 2-3-2001, issued vide PAP-Ad hoc PAC (3)-Vol-II/2000/1263, dated 7-4-2001.
21. Co-operation	157,117,000 150,611,000*	146,369,108	10,747,892 (6.84%) 4,241,892* (2.82%)	Minutes dated 13-4-2001, issued vide PAP-Ad hoc PAC (3)-Vol-II/2001/1590, dated 28-4-2001.
22. Industries	146,401,000 135,144,000*	133,526,942	12,874,058 (8.79%) 1,617,058* (1.20%)	Minutes dated 16-6-2001, issued vide PAP-Ad hoc PAC (3)-Vol-II/2001/2613, dated 28-6-2001.

23. Miscellaneous	1,030,449,000 592,193,000*	887,470,460 563,124,832*	142,978,540 (13.88%) 29,068,168* (4.91%)	Minutes dated 2-3-2001, 27-3-2001, 4-4-2001, 10-5-2001, 16-6-2001, 12-7-2001, 23-7-2001 and 27-8-2001, issued vide PAP-Ad hoc PAC(3)-Vol-I/2000/1263, dated 7-4-2001, PAP-Ad hoc PAC(3)-Vol-II/2001/1357, dated 14-4-2001, PAP- Ad hoc PAC(3)-Vol-II/2001/1607, dated 30-4-2001, PAP-Ad hoc PAC(3)-Vol-II/2001/1976, dated 25-5-2001, PAP-Ad hoc PAC(3)-Vol-II/2001/2613, dated 28-6-2001, PAP-Ad hoc PAC(3)-Vol-III/2001/2935, dated 25-7-2001, PAP-Ad hoc PAC(3)-Vol-III/2001/3209, dated 7-8-2001 and PAP-Ad hoc PAC (3)-Vol-IV/2001/3822, dated 17-9-2001.
26. H&PP	102,000,000 94,850.570*	90,177,101 90,177,100*	11,822,899 (11.79%) 4,673,470* (4.93%)	Minutes dated 27-4-2001, issued vide PAP-Ad hoc PAC (3)-Vol-II/2001/1818, dated 17-5-2001.
27. Relief	100,000,000 72,241,000*	71,804,071	28,195,929 (28.20%) 436,929* (0.60%)	Minutes dated 22-1-2001, issued vide PAP-Ad hoc PAC (3)-Vol-I/2000/438, dated 3-2-2001

Continued . . .

Table I ... concluded

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
28. Pensions	6,681,742,000	5,458,609,111	1,223,132,889 (18.31%)	Minutes dated 13-4-2001, issued vide PAP-Ad hoc PAC(3)-Vol-II/2001/1590, dated 28-4-2001.
29. Stationery & Printing	102,042,000	90,978,749 92,642,910*	11,063,251 (10.84%) 9,399,090* (9.21%)	Minutes dated 15-3-2001 and 24-4-2001, issued vide PAP-Ad hoc PAC(3)-Vol-II/2001/1356, dated 14-4-2001 and PAP-Ad hoc PAC(3)/Vol-II/2001/2004, dated 21-5-2001.
30. Subsidies	1,576,683,000	1,500,000,000	76,683,000 (4.86%)	Minutes dated 15-2-2001, issued vide PAP-Ad hoc PAC(3)-Vol-I/2000/670, dated 23-2-2001.
32. Civil Defence	33,001,000 31,185,000*	29,894,851	3,106,149 (9.41%) 1,290,149* (4.14%)	Minutes dated 11-4-2001, issued vide PAP-Ad hoc PAC(3)-Vol-II/2001/1589, dated 28-4-2001.
33. State (Charged) Trading in Food Grain and Sugar (Voted)	748,548,000	630,056,415	118,491,585 (15.83%)	Minutes dated 15-2-2001, issued vide PAP-Ad hoc PAC(3)-Vol-I/2000/670, dated 23-2-2001.

	15,707,435,000 15,569,435,000*	14,616,269,875 14,493,174,285*	1,091,165,125 (6.95%) 1,076,260,715* (6.91%)	
34. State Trading in Medical Stores & Coal	288,739,000	277,579,725 277,563,260*	11,159,275 (3.86%) 11,175,740* (3.87%)	Minutes dated 21-2-2001 and 22-9-2001, issued vide PAP-Ad hoc PAC(3)-Vol-I/2001/931, dated 15-3-2001 and PAP-Ad hoc PAC(3)/Vol-IV/2000/4290, dated 15-10-2001.
35. Loans to Government Servants	77,500,000 72,000,000*	55,236,490	22,263,510 16,763,510* (23.28%)	Minutes dated 13-4-2001, issued vide PAP-Ad hoc PAC(3)-Vol-II/2001/ 1590, dated 28-4-2001.
38. Agriculture Improvement & Research	26,996,000 2,736,000*	2,586,000 2,736,000*	24,410,000 (90.42%) —*	Minutes dated 13-12-2000, issued vide PAP-Ad hoc PAC(3)-Vol-I/2001/ 18521, dated 26-12-2000.
40. Town Development	104,101,000 52,369,000*	51,580,579 51,049,758*	52,520,421 (50.45%) 1,319,242* (2.52%)	Minutes dated 27-4-2001 and 1-11-2001, issued vide PAP-Ad hoc PAC(3)-Vol-II/2001/1818, dated 17-5-2001 and PAP-Ad hoc PAC(3)-Vol-IV/ 2001/ 4885, dated 28-11-2001.
Nil. Permanent Charged Debt	28,200,000 27,401,000*	27,372,884	827,116 (2.93%) 28,116 (0.10%)	Minutes dated 13-4-2001, issued vide PAP-Ad hoc PAC(3)-Vol-II/2001/ 1590, dated 28-4-2001.
Nil. Interest (Charged) on Debt and other obligations	14,001,616,000	13,668,926,335	332,689,665 (2.38%)	Minutes dated 13-4-2001, issued vide PAP-Ad hoc PAC(3)-Vol-II/2001/ 1590, dated 28-4-2001.
Nil. Privy (Charged) Purses	1,600,000	—	1,600,000 (100%)	Minutes dated 25-9-2001, issued vide PAP-Ad hoc PAC(3)-Vol-IV/2001/ 4546, dated 30-10-2001.

TABLE II

Grants Settled subject to the approval of Excess Budget Statement

Grant No & Title	Final Grant	Expenditure	Excess	Recommendations of PAC
Nil. Repayment (Charged) of loans from Federal Government	2,117,876,000	2,121,059,797	(+) 3,183,797 (0.15%)	Minutes dated 13-4-2001, issued vide PAP-Ad hoc PAC(3)/Vol-II/2001/ 1590, dated 28-4-2001.

TABLE III

Grants Pended

The following grants were kept pending mainly because the accounts could not be reconciled

Grant No & Title	Final Grant	Expenditure	Saving/ Excess	Remarks
8. Other Taxes & Duties	87,095,000	85,524,998	1,570,002 (1.80%)	Minutes dated 17-2-2001 issued vide PAP-Ad hoc PAC(3)-Vol-I/2001/1097, dated 28-3-2001.
9. Irrigation & Land Reclamation	4,571,396,000	5,291,491,067	+720,095,067 (15.75%)	Minutes dated 13-3-2001 issued vide PAP-Ad hoc PAC(3)-Vol-I/2000/1269, dated 9-4-2001.
10. General (Charged) Administration	84,113,000	46,764,604	37,348,396 (44.40%)	Minutes dated 25-9-2001 issued vide PAP-Ad hoc PAC(3)-Vol-IV/2001/4546, dated 30-10-2001.
(Voted)	5,177,264,000	5,999,352,341	822,088,341 (15.87%)	
11. Administration (Charged) of Justice	148,013,000	139,190,613	8,822,387 (5.96%)	Working Paper of 01106-Justice Law Department-002-Muffasil Establishment was not submitted by the Department.
(Voted)	390,647,000	362,279,766	28,367,234 (7.26%)	
15. Education	23,976,713,000	18,547,020,615	5,429,692,385 (22.65%)	Minutes dated 21-8-2001 issued vide PAP-Ad hoc PAC(3)-Vol-IV/2001/3755, dated 11-9-2001.
24. Civil Works (Charged)	3,500,000	4,387,092	+887,092 (25.35%)	Minutes dated 23-7-2001 issued vide PAP-Ad hoc PAC(3)-Vol-III/2001/3209, dated 7-8-2001.
(Voted)	1,336,501,000	973,045,681	363,455,319 (27.19%)	
25. Communications	1,741,332,000	1,282,800,265	458,531,735 (26.33%)	Minutes dated 29-8-2001 issued vide PAP-Ad hoc PAC(3)-Vol-IV/2001/3847, dated 19-9-2001.
31. Miscellaneous	1,315,601,000	977,932,030	337,668,970 (25.67%)	Minutes dated 25-9-2001 issued vide PAP-Ad hoc PAC(3)-Vol-IV/2001/4546, dated 30-10-2001.
36. Development	7,017,227,000	4,771,021,601	2,246,205,399 (32.01%)	Minutes dated 25-9-2001 issued vide PAP-Ad hoc PAC(3)-Vol-IV/2001/4546, dated 30-10-2001.
37. Irrigation Works	1,900,501,000	997,081,074	903,419,926 (47.54%)	Minutes dated 13-3-2001 issued vide PAP-Ad hoc PAC(3)-Vol-I/2000/1269, dated 9-4-2001.
41. Roads and Bridges	2,715,001,000	2,089,217,155	625,783,845 (23.04%)	Minutes dated 9-7-2001 issued vide PAP-Ad hoc PAC(3)-Vol-III/2001/3030, dated 28-7-2001.
42. Government Buildings	3,717,611,000	1,606,910,066	2,110,700,934 (56.78%)	Minutes dated 1-10-2001 issued vide PAP-Ad hoc PAC(3)-Vol-IV/2001/4441, dated 24-10-2001.

Continued...

Table III ... *concluded*

Grant No & Title	Final Grant	Expenditure	Saving/ Excess	Remarks
43. Loans to Municipalities and Autonomous Bodies	1,896,484,000	1,309,944,278	586,539,722 (30.93%)	Working Papers of certain components were not submitted by the Departments.
Nil. Floating Debt. (Charged)	13,919,593,000	12,469,524,893	1,450,068,107 (10.42%)	Minutes dated 8-9-2001, issued vide PAP/Ad hoc PAC(3)/Vol-IV/2001,4093, dated 1-10-2001.

*After reconciliation.

*After reconciliation.

*After reconciliation.

Finance Accounts 1996-97

Finance Accounts as compiled by the Accountant General, Punjab are meant to exhibit annual receipts and expenditure as well as balances of assets and liabilities of the Government of the Punjab. The accounts are based on actual cash transactions and do not include accrued receipts and liabilities. The accounts for the year ending on 30 June, 1997 were submitted after a test audit of the transactions by the Auditor-General on 4 August, 1998 with an audit certificate stating that “the Audit Observations were included in the Audit Report”. Except for some isolated audit paras on outstanding balances in (departmental) suspense accounts, which needed to be cleared, the Committee did not come across any specific reference or observation in the Audit Reports (1996-97) on the contents of the Finance Accounts for the year.

2. Provincial Consolidated Fund.— The Committee did not have enough time to scrutinize the Finance Accounts (1996-97) at length. However, it sought clarifications from the Accountant General on a few obvious discrepancies. His response confirmed the Committee’s initial impression that due care had not been taken in preparing the compilation. The closing cash balance figure for the Provincial Consolidated Fund on 30 June, 1997 was shown on page 203 of the publication as Rs.8.48 billion against a negative balance of Rs.21.20 billion a year ago on 30 June, 1996. The AG clarified that the former was just the difference of total receipts and total payments during 1996-97; the balance should have been worked out by adding this figure to the balance shown as the opening balance for the year. In case these corrections are carried out, the closing balance of the Fund would be a minus figure of Rs.12.72 billion on 30 June 1997. It is obvious that the figures of the cash balance under “Public Accounts” will also have to be corrected. During a meeting with the Committee, the AG stated that the correct balances would be worked out afresh and incorporated in the Finance Accounts for the year 2000-2001, giving a suitable footnote.

3. It was further clarified by the AG’s Office that the cash balances appearing in the Finance Accounts did “not stand reconciled with the State Bank of Pakistan” and that ‘all out efforts’ were underway “to get them reconciled”. The figure of the cash balance according to the State Bank of Pakistan is not mentioned in the Finance Accounts. The AG informed the Committee that the figures of cash balance according to the State Bank had been mentioned in the Finance accounts for the year 1999-2000.

4. The balance sheet of the Government of the Punjab on 30 June 1997 (page 9 of the Finance Accounts) shows that the “accumulated excess of revenue receipts over revenue expenditure” stood at Rs.6.087 billion as against a negative figure of Rs.5.724 billion on 30 June 1996. According to page 101 of the publication, the figure on 30 June 1997 was arrived at by adding not only the difference between the Revenue Receipts (Rs.85.223 billion) and the Revenue Expenditure (Rs.73.439 billion) during 1996-97 but also by taking into account the net effect (Rs.27 million) of the transactions under “Miscellaneous”. There is no explanation about this head “Miscellaneous”.

5. The Committee suggests that the FD and the AG should analyze the reasons for which the Provincial Consolidated Fund is being shown in accounts with a huge negative balance, and whether the figures represent the actual and legally correct position.

6. Other Balances.— In the section of the Finance Accounts dealing with the Review of Balances (pages 227-285), it is stated that the management of receipts and disbursements under debt, deposit and remittance heads “constitutes a vital part of the machinery of financial administration”. However, it was noted by the Committee that the review paragraphs for quite a few balances (pages 243 to 281) pointed out that “the difference between the ledger and broad sheet figures is under reconciliation” or “the acknowledgement to the correctness of the balance has not been received”. The Committee feels that obviously adequate attention is not being paid to this area of financial administration.

7. In the absence of any explanatory notes, the Committee was not clear as to why a number of accounts under the head “Loans to Municipalities” showed credit balances. According to the Finance Department, the loans to Municipalities /Autonomous Bodies are granted with a repayment period of 10 years (grace period 3 years) at a rate of interest fixed by the Government for the year. The Committee was informed that deductions are made out of UIP Tax share against repayment of loans and that no deductions are possible (or no payments are made by the bodies) in case no amount is available in the UIP Tax share. The Committee observed that the balances claimed by the Finance Department as outstanding against some Bodies did not agree with the figures shown in the Finance Accounts.

8. The Finance Accounts do not explain the existence of debit balances under the heads Population Planning Programme (Rs.1,770,109 on page 254), and Income Tax Deduction from contractors/suppliers (Rs.274,351,309 on page 255). On page 252, the Zakat Collection Account is shown as a debit balance of Rs.23,496,659 but this is repeated as credit figure on page 254. There is a figure of Rs.19,735,631 shown on page 279 as credit balance on account of Advances for Purchase of Motorcycles.

9. There are many cases of paltry sums owed to or due from some former colonies of the British Empire, and many entries of very small amounts e.g., Rs.10 for War Risk Insurances Fund, 1965 (page 248), Deposits of Historical Cess Fund (Rs 17), Jamia Mosque Bahawalpur Fund (Rs 80) and Allama Iqbal Memorial Fund (Rs.230, page 246).

10. Apparently, nobody in the Finance Department or the Accounts Department has considered it necessary to review these balances and to initiate action for the rectification of incorrect figures and for clearing up unnecessary accounts.

11. Recommendations.— It goes without saying that even if the Finance Accounts are not utilized as a tool of current financial management, but only as a historical record of financial transactions during and at the end of a year, there must be no compromise on the accuracy and reliability of their contents.

12. The Committee suggests that the Government and the Accountant General should immediately devise ways and means of keeping the accounts and balances in reconciliation, eliminating errors and inefficient balances, and introducing the highest standards of accuracy and reliability in the figures to be included in the Finance Accounts. The arrangement and presentation of the figures in the Accounts may also be reviewed and improved to make them more readily understandable. The Committee feels that a comparison of the figures of Receipts & Expenditure under various heads (e.g., Direct & Indirect Taxes for receipts and General

Administration, Law & Order, Social Services, Economic Services, Debt Services etc. for expenditure) with the corresponding figures in the authorized budget figures might enhance the usefulness of the compilation.

AGRICULTURE DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
81	38	43	–	–

Abstract

Status	Decision	Para Nos.	Total	Details (pages)
Paras Finally Settled 49	Paras finally settled as the requisite action had been taken.	Civil: 1.1, 1.2, 1.3, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.14, 1.15, 1.16, 1.17, 1.18, 1.20, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.11, 2.12, 2.13, 2.14, 5.6.	28	45-52
		Commercial: : 7, 8, 9, 10, 11, 27, 28, 29, 30, 31, 35, 36, 37, 40, 41, 42, 45, 46, 48, 49, 50.	21	53-59
Paras Conditionally Settled 19	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the departments shall report compliance to the Public Accounts Committee every six months.	Civil: 1.4, 1.5, 1.13, 1.19, 2.1, 5.1, 5.15.	7	60-63
		Commercial: 6, 12, 13, 14, 32, 33, 34, 38, 39, 43, 44, 47.	12	64-70
Paras Pended 13	Paras pended as the department had not taken satisfactory action.	Civil: 1.12, 2.10, 5.2.	3	71-73
		Commercial: 15	1	73-74
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial: 3(i to ix)	9	75

Discussed on 13-15 December 2000, 9-10 January, 7-9 May, 6 August and 16 October 2001

Paras Finally Settled (Civil Audit)

1. Para 1.1: Page 3 – Loss of Rs.62,940/- due to Shortage/Leakage of Pesticides

13-12-2000: The Department explained that the pesticides stock mentioned in the para was part of the large stock of expired pesticides which was lying with Department at various places due to the abandonment of the pesticide supply scheme by the Department in 1980 under the revised policy of the Federal Government. The Finance Department has since given its concurrence to the write-off of the said loss, and issuance of the Audit copy of the write-off sanction is in process between the Agriculture and Finance Departments.

The Committee, however, directed the Agriculture Department to submit a complete report of the case about the expired stocks of pesticides lying with the Department since 1980, the findings of the Inquiry Reports held by various authorities in this matter to fix the responsibility for the huge loss and the action taken or proposed to be taken by the Department for safe disposal of the stock of expired pesticides, from environmental point of view. This para was recommended for settlement subject to issuance of the write-off sanction by the Competent Authority and its verification by Audit.

8-5-2001: Audit reported that the Finance Department had written off the loss of pesticides worth Rs. 62,940/-. **The para was settled.**

2. Para 1.2: Page 3 – Loss of Rs.85,917/- due to Misappropriation of Seed, Fertilizers and Pesticides

13-12-2000: The Department explained that an inquiry had been held into the case and it had been found that there was no misappropriation or loss in the case, the relevant record was available for verification. The para was settled subject to verification of record by audit within one month.

8-5-2001: The Department explained that there was no misappropriation/loss and the relevant record to this effect had been got verified by Audit. The explanation of the Department was accepted and **the para was settled.**

3. Para 1.3: Page 4 – Loss of Rs.217,786/- due to Non-Recovery of Interest

13-12-2000: The Department explained and the Audit had verified that the Finance Department had since approved the sale of the motorcycles to the concerned Agriculture officers on hire-purchase basis without interest. As such the interest was not recoverable. The explanation of Department was accepted and **the para was settled.**

4. Para 1.6: Page 6 – Loss of Rs.119,980/- due to likely Misappropriation of Store Articles

14-12-2000: The Department explained that purchase of articles in question was not effected by the Deputy Director, Agriculture (Extension), Sialkot, because the funds had been transferred to DDA(Trg), Gujranwala by the Director, Agriculture (Extension), Lahore. Therefore, neither any payment was drawn from the Special Assignment Account nor paid to the firm. As such there was no misappropriation of store articles.

The Committee directed that the relevant record to prove the Departmental contention may be produced to Audit for verification. The para was settled subject to verification of the requisite record by Audit.

8-5-2001: The Department explained that in compliance with the directions of the Committee, the relevant record had been got verified by Audit. **The para was settled.**

5. Para 1.7: Page 6 – Loss of Rs.175,671/- due to Non-Utilization of Available Government Machinery

14-12-2000: The Audit had pointed out that in the presence of its own thrashers the Government Farm had paid winnowing charges.

The Department informed the Committee that thrasher of Farm was out of order since 1985 and needed heavy repairs which could be more expensive than the actual cost of thrasher.

Audit pointed out that the case for condemnation of the thrasher was moved by the Farm Manager on July 24, 1995. The Department could not justify the period of its non-utilization from January 1, 1985 to July 23, 1995. Moreover, the Department had not made any entry in the Stock Register that the said machinery was out of order and was irreparable.

The Committee took serious notice of the lapse of not following the provisions of the Financial Rules regarding annual physical verification of stock and condemnation and disposal of unserviceable stock.

The Committee directed that an inquiry may be held in this case for fixing responsibility on the defaulters who violated the rules by not making the entries in the Stock Register up to 1995 to the effect that the thrasher had been unserviceable since 1985. However, with the above observation **the Committee agreed to settle the para.**

6. Para 1.8: Page 7 – Loss of Pesticides valuing Rs.200,000/-

14-12-2000: The Department explained that the stock of pesticides worth Rs.200,000/- involved in this para was part of the large quantity of expired pesticide worth Rs.7.88 crore which was lying with the Department ever since abandonment of the sale of pesticides by the Department and privatization of this business in 1980. The Finance Department had given its concurrence to the write off of the whole amount. The issuance of the Audit copy of the sanction was in process.

The explanation of the Department was accepted and the para was settled, subject to the formal issuance of sanction for the write off by the competent authority and its verification by Audit.

8-5-2001: The Department explained that the loss of pesticides worth Rs. two lac had been written off by the Finance Department and verified by Audit. **The para was settled.**

7. Para 1.9: Page 7 – Irregular Payment of Salary etc. amounting to Rs.110,297/- to Field Assistant out of Project Funds

14-12-2000: The Department explained that two posts of Field Officers had been provided in the PC-I but only one post of Field Officer was filled in while a Field Assistant was transferred and posted against the second post of Field Officer in his own pay and scale. **The Committee agreed to settle the para with the observation** that such irregularities should not be repeated.

8. Para 1.10: Page 8 – Irregular Payment of Rent of Stores of Pesticides Rs.74,949/-

14-12-2000: The Department explained that rented stores had been vacated in 7/97 and no further rent was being paid. Old stocks of ineffective pesticides had been shifted to the Government owned buildings. The contention of the Department was also verified by the Audit. After some discussion, the explanation of the Department was accepted and **the para was settled.**

9. Para 1.11: Page 8 – Irregular Deposit of Sale Proceeds amounting to Rs.153,384/- into Non-Project Account

14-12-2000: The Department explained that recovery of Rs.153,384/- from Punjab Seed Corporation which related to procurement and sale proceeds of Oil Seed Project, Sahiwal was not justified according to revised PC-I of the National Oil Seed Development Project. The explanation of the Department was accepted and **the para was settled.**

10. Para 1.14: Page 11 – Non-Deduction of House Rent amounting to Rs.152,186/-

14-12-2000: The Department explained that necessary recovery had since been made and the record can be shown to Audit. The para was settled subject to verification of record/recovery by Audit.

8-5-2001: The Department explained that the recovery had been made and the relevant record would be produced to Audit for verification. According to Audit, however, some amounts (including penal recoveries) had yet to be recovered. The Committee settled

the para subject to verification of the balance recovery and verification of the relevant record by Audit.

6-8-2001:

The Department explained that the requisite amount had been recovered and Audit reported that the recoveries of the remaining amounts had been verified. The para was settled.

11. Para 1.15: Page 11 – Non-submission of Account for Advances of Rs.628,849/-

14-12-2000: The Department explained that accounts for advance in respect of Mr Tahir Raza Naqvi, Deputy Secretary and Mr Sohail Akhtar Shehzad, Assistant Chief P&D Department had been adjusted and got verified by Audit. The Committee took serious notice of not ensuring timely rendering of the accounts and desired that suitable steps should be taken to ensure that such lapses are not repeated. **With the above observations the para was settled.**

12. Para 1.16: Page 12 – Non-submission/Non-adjustment for Advances of Rs.389,026/-

14-12-2000: The Department explained that air tickets for two officers were arranged without getting confirmations for the return journey. As a consequence, Rs. 20,178/- had to be paid as extra charges to both the officers. Adjustment account of the TA advance had been verified by Audit. **The para was settled subject to the observation** that the competent authority may consider taking suitable action for violation of the financial rules.

13. Para 1.17: Page 12 – Embezzlement of Rs.82,927/- Due to Non-deposit of Government Receipt

14-12-2000: The Department explained that total amount involved in the para had been recovered and verified by the Audit. The Audit pointed out that out of the total amount, an amount of Rs.36,432/- had not been got verified by the Audit. The Committee agreed to settle the para subject to verification of the remaining recovery.

8-5-2001: The Department explained that the balance amount of Rs.33,209/- had been recovered and got verified by Audit. **The para was settled.**

14. Para 1.18: Page 13 – Un-authorized Expenditure of Rs.281,702/- in Excess of Budget Allotment

14-12-2000: The Committee was informed that salaries of the staff were drawn in accordance with the sanctioned strength and the staff actually working. No payment had been made above the actual sanctioned strength. The difference in allocation and expenditure was due to revision in pay scales w.e.f 1.6.1994.

The Committee settled the para subject to verification of the sanctioned and working strengths of the staff by the Audit.

The Committee, however, observed that since such excess expenditure over the budgetary allocation could not have occurred if pre-audit had been conducted effectively, the Accountant General may look into the matter for appropriate action.

8-5-2001: The Department explained that pay bills of Officers/Officials as per the sanctioned strength of the Office of Deputy Director of Agriculture (Ext) Sialkot had been got verified by Audit. **The para was settled.**

15. Para 1.20: Page 14 – Non-recovery of Loan against the Tenants Rs.141,504/-

14-12-2000: The Department explained that actual recovery of Rs.173,873/- (instead of Rs.141,504/-) had been made, deposited into Government treasury and verified by Audit. The explanation of the Department was accepted and **the para was settled.**

16. Para 2.2: Page 17 – Loss of Rs.47,728/- on account of Excess Payment of Daily Allowance

14-12-2000: The Department explained that actual recoverable amount was Rs. 46,796/- instead of Rs.47,728/-. It had been recovered and deposited into Government treasury, which had been verified by the Audit. **The para was settled.**

17. Para 2.3: Page 18 – Loss of Rs.88,032/- due to Non-return of Surplus Material

14-12-2000: The Department explained that recovery of Rs. 83,032/- on account of unconsumed material had been made and material worth Rs. 5,000/- had been received back, properly accounted for and utilized on Water Courses. These facts had been verified by Audit. **The Committee agreed to settle the para.**

18. Para 2.4: Page 18 – Loss of Rs.119,480/- due to Non-recovery of Share of Farmers-WMC, Khanewal

15-12-2000: The Department stated that out of the total amount of Rs.138,572/-, an amount of Rs.78,572/- had been recovered and deposited into the Government treasury leaving a balance of Rs.60,000/-. The case of remaining amount had been sent to the District Collector for making its recovery as arrears of land revenue.

The representative of the Finance Department suggested that the Department should fix annual targets of recovery and the same be reflected in the Revenue Budget, so that the recoveries could be properly monitored.

The PAC directed that strenuous efforts be made for recovery of the balance as arrears of land revenue and got verified by Audit. The para was kept pending, till the full recovery is made.

8-5-2001: The Department explained that the entire amount of Rs.119,480/- had been recovered and got verified by Audit. **The para was settled.**

19. Para 2.5: Page 19 – Loss of Rs.126,406/- due to Non-recovery of Share of Farmers

15-12-2000: The Department explained that total recovery of Rs.126,406/- had been made and deposited into proper head of account. The para was settled subject to verification of the total recovery by Audit.

8-5-2001: The Department explained that the total recovery of Rs.126,406/- had been effected through Revenue Department and deposited into the Government treasury. The relevant record had also been got verified by Audit. **The para was settled.**

20. Para 2.6: Page 19 – Loss of Rs.54,725/- on account of Less Deposit/Non-deduction of Income Tax

15-12-2000: The Department explained that total recovery of Rs.54,725/- had been effected and got verified by audit. **The para was settled.**

21. Para 2.7: Page 20 – Loss of Rs.96,234/- on account of Non-recovery of Farmers Share and Irregular Expenditure of Rs.551,215/-

15-12-2000: The Department explained that as the work was done with the approval of the competent authority, the expenditure was not irregular. Moreover, the cost sharing recovery as pointed out by Audit amounting to Rs.96,234/- had been made.

The Audit pointed out that the recovery of Rs.16,611/75 had been verified while the recovery of Rs.79,623/- was yet to be verified, and no account of the material used for additional lining valuing Rs.230,434/- had been produced. The para was kept pending for verification by Audit.

8-5-2001: The Department explained that the balance recovery of Rs. 79,622/- had been made and got verified by Audit. The Department further explained that the actual material consumed on additional lining was to the tune of Rs.203,434/- instead of Rs.230,434/- as recorded by the Audit. The relevant record had also been got verified by Audit. **The para was settled.**

22. Para 2.8: Page 20 – Loss of Rs.758,400/- due to Non-recovery of Rental Charges of two Government Tractors

15-12-2000: The Department explained that the Inquiry Officer in this case had worked out that the rental charges amounted to Rs.58,740/- on the basis of physical verification (No. of acres levelled, hours worked and meter readings as per log book). Moreover, the DDAE who was charged with the misuse of tractors was exonerated by the Chief Secretary vide order dated 5.9.1997. Rental charges of the tractor amounting to Rs. 58,740/- had been deposited by the farmers.

The matter was discussed at length. The Department was directed to show the Inquiry Report to Audit, who will see whether or not all the issues involved in the para have been dealt with in the Inquiry and send a report to the Secretary, Assembly. The para was kept pending.

9-5-2001: The para was considered with reference to the minutes of the meeting held on December 15, 2000. As per observations of the Committee made in the previous meeting, the Audit had seen the Departmental inquiry proceedings and informed the Committee that the inquiry officer (Dr. Ijaz Parvez, Director, PW & OCP, Multan) had held Water Management Coordinator, Sahiwal responsible for the misuse of two tractors as pointed out in the Audit para. However, the Authorized Officer had recommended exoneration of the accused on the ground that during personal hearing the accused officer had pleaded that actually the Water Management Specialist, Minchinabad was responsible for this misuse of the said tractors. The Authority vide order dated 5.9.1997 had thereupon exonerated the accused officer.

The Administrative Department stated that inquiry had since been ordered against other officers involved in the case also.

After detailed discussions, the Committee observed that, prima facie, it was a case of mis-carriage of justice by the “Authorized Officer” and the “Authority”. The Committee advised that the Administrative Department should consider if action could be taken at this stage against the said Water Management Coordinator, on the residual matters not covered in earlier charge-sheet, along with action against the other officers/officials. The para was kept pending for action by the Department as warranted by the law or rules.

6-8-2001: The Department explained that as per directive of the Committee dated 7-9 May 2001, the matter was re-examined in consultation with Law Department and S&GAD, and the Authority had agreed that there were sufficient grounds/residual charges which had not been included in the earlier inquiry against Mr Muhammad Akram Pasha, the then Water Management Coordinator, Sahiwal. Accordingly a joint inquiry against the said Water Management Coordinator and six other officers had been ordered under the Punjab Removal from Service (Special Powers) Ordinance, 2000, which was under process.

The Committee directed that the action should be brought to its logical conclusion by the Department and copies of the final orders provided to the Secretariat of the Committee. **With the above directive, the para was settled.**

23. Para 2.9: Page 21 – Loss of Rs.189,084/- due to Misappropriation of Surplus Material

15-12-2000: The Department explained that unconsumed material worth Rs.26,455/- had been received back, while material worth Rs.162,629/- was not traceable and the amount had been recovered from the Water Users Association.

The Committee directed that the recovery/receipt back of material be got verified by Audit. Moreover, an inquiry should be held to fix the responsibility for negligence in not collecting the surplus material in time, and the inquiry report be sent to Audit. The para was settled subject to verification by Audit within one month.

9-5-2001: The para was considered with reference to the minutes of the meeting held on December 15, 2000. The Department explained that an amount of Rs.162,629/- had been deposited into government treasury which had been verified by audit.

In the inquiry, no officer had been held responsible for late return of material, as it was responsibility of the Water Users Association to return the unused material. The procedure has since been improved and all material is arranged by the Water Users Association. **The para was settled.**

24. Para 2.11: Page 22 – Recovery of Rs.66,767/- on account of Reduction in Volume of Work at the time of Physical

Verification

15-12-2000: The Department explained that the actual amount of recovery of Rs.66,064/31 had been made from the Water Users Association and verified by Audit. **The Committee agreed to settle the para.**

25. Para 2.12: Page 23 – Non-recovery of Rs.119,111/- on account of Share of Farmers and Irregular Renovation of Water Courses

15-12-2000: The Department explained that the recovery of the 30% share amounting to Rs.116,415/50 had been made and verified by the Audit. Only an amount of Rs.2,696/- was still recoverable, which would be recovered soon. The Committee agreed to settle the para subject to the recovery of the remaining amount of Rs.2,696/- and its verification by the Audit.

9-5-2001: The para was considered with reference to the minutes of the meeting held on December 15, 2000. The deposit of Rs.2,696/- into government accounts on 15.1.2001 had been verified by Audit. **The para was settled.**

26. Para 2.13: Page 23 – Embezzlement of Rs.58,240/- by Preparing Bogus Bills

15-12-2000: The Department explained that the total recovery of Rs.58,240/- involved in this para has been effected. Moreover, the services of the defaulter have been terminated by the Government. The position has been verified by Audit. **The Committee agreed to settle the para.**

27

Para 2.14: Page 24 – Irregular Payment of Telephone No.85001 for Rs.308,818/- installed at the residence of Minister for Agriculture

15-12-2000: The Department explained that according to Section 20 of the Punjab Ministers (Salaries, Allowances and Privileges) Act, 1975, a Minister is entitled at Government expense to the use of two telephones at his office and two telephones at his residence, both for official and private purposes throughout the term of his office and for a period of 15 days immediately thereafter. He is also entitled to free telephone facility while on tour where such facility is available. The Department maintained that a casual telephone connection was provided at the residence of the Minister at 35-A Satellite Town, Bahawalpur, when he stayed there while on tour to Bahawalpur. The budget for payment was provided by the Government. Thus there was no irregular payment.

The Committee was not satisfied with the Departmental explanation and directed the Department and Audit to examine all aspects of this case in greater depth, such as whether the telephone in question was one of the two residential telephones to which the Minister was entitled under the said Act, and if not whether the Minister's visit to his home could be treated as official tour under the TA Rules and also whether the provision of casual telephone connection at his home was admissible, and so on. The para was kept pending till the receipt of a detailed report.

9-5-2001: The para was considered with reference to the minutes of the meeting held on December 15, 2000. The Department sought more time (one month) to further inquire and sort out the facts of the case. The para was kept pending.

6-8-2001:

The Department explained that as per directive of the Committee dated 7-9 May 2001, the matter pointed out in the para was enquired into through Additional Director General (Water Management) Multan. The Inquiry Officer had concluded that under the Punjab Ministers (Salaries, Allowances and Privileges) Act, 1975, a Minister was entitled to the free telephone facility while on tour. Accordingly a Casual Telephone Connection (CTC) was installed at the Bahawalpur residence of the Minister for Agriculture when on tour and the same was disconnected on his departure.

The Department explained that against 125 days reflected in Audit paras for which casual telephone connection was provided at the Minister's residence, only 27 days were not covered by the tour programme/TA bills. The Department stated that Inquiry officer had accepted the justification for 9 days since the casual telephone was installed a day prior to the Minister's visit and disconnected the next day on his departure.

After detailed discussion and examination of the facts of the case, **the Committee decided to settle the para.**

28. Para 5.6: Page 52 – Irregular Advances to the extent of Rs.1,334,074/-

6-8-2001: The Department explained that out of the total advances amounting to Rs.1,334,074/- as pointed out by Audit, an amount of Rs.1,154,102/- had already been adjusted as per adjustment account ready for verification. However, for the balance of Rs.179,972

/- the adjustment account will be produced to Audit for verification later on.

The Committee directed the Department that the Inquiry Committee constituted for the purpose of para 5.2 should also be entrusted with the verification of record of this para. The outcome of the verification should be reported to the Committee. The para was kept pending.

16-10-2001: The Department explained that the present outstanding balance was Rs.71,865/- and an inquiry committee had been constituted to inquire into the delay in adjustment of advances. The Committee observed that a system should be devised to avoid such delays in the adjustment of advances. **The para was settled.**

(Commercial Audit)

Agricultural Engineering, Bahawalpur

1. Para 7: Page 15 – Misappropriation of 21,150 liters Diesel Oil worth Rs.173,091/- by the Storekeeper

9-1-2001: The Department explained that the Storekeeper responsible for the shortage/misappropriation of diesel oil was proceeded against under the Punjab Civil Servants (E&D) Rules, 1975 and the major penalty of reduction in pay by one stage and recovery of Rs.240,845/- was imposed which was to be recovered @ Rs.1,000/- per month from his pay. The Audit had verified that the recovery of Rs.88,932/- had so far been made from him leaving a balance of Rs.151,913/-.

The Committee observed that the system of internal checking and physical verification of the stock by the supervising officers was weak and needed to be reviewed and strengthened by the Department to avoid recurrence of such incidents in future. As the order of recovery had been made and total recovery would be effected during the service period of the accused official, the para was settled subject to total recovery and its verification by the Audit.

7-5-2001: The Department explained the latest position with reference to the observations of the Committee made in the last meeting. The Committee observed that besides other appropriate measures for strengthening internal controls, the Department should ensure periodic inspections and physical verification of stores. A copy of the instructions issued in this connection should be supplied to the Adhoc PAC Secretariat. **The para was settled.**

Agricultural Engineering, Multan Division

2. Para 8: Page 16 – Loss of Rs.144,000/- due to Failure of Emergency Programme 1984

9-1-2001: The Audit had pointed out that eight tractor- mounted Boom-Sprayers had been purchased for Rs.144,000/- in 1984 for hiring them out to the farmers. However, the machinery earned a revenue income of only Rs.17,712/- and was lying idle since 1985-86. The Department explained that the said sprayer had been provided to the Agricultural Engineer Multan for demonstration purposes so that the cotton growers were acquainted with their usefulness. The programme met with success and the cotton growers bought their own sprayers which had a beneficial effect on the cotton yield of the Province. The Department had purchased the said sprayers for demonstration purposes and not for commercial use.

The Committee observed that some system should be evolved by the Department to evaluate the usefulness and further utility of the machinery lying with it and for prompt disposal of the surplus and redundant machinery. The Committee stressed that Finance Department may also consider to constitute a Committee for reviewing the existing system of evaluation and disposal of the condemned machinery. The Committee decided to settle the para subject to the above mentioned observations.

7-5-2001: The Department explained that the observations made by the Committee in the last meeting were being complied with. **The para was settled.**

Agricultural Engineering, Rawalpindi Division

3. Para 9: Page 16 – Misappropriation of Government Money Rs.28,162/-

9-1-2001: The Audit had pointed out that an agricultural machinery had been used for non-agricultural work without depositing cash in the Government treasury worth Rs.28,162/-. The Department explained that as a result of Departmental inquiry, recovery of Rs.15,100/- had been imposed on the responsible official which was being recovered from him in installments. The Audit informed that only an amount of Rs.1,906/- had been recovered to-date and Rs.13,194/- was still outstanding.

The Committee expressed its concern over the delay in starting the recovery and advised the Audit to check the recovery register of the Department. The para was settled subject to total recovery and its verification by Audit.

7-5-2001: The Department explained that full recovery amounting to Rs.25,100/- had been made from the accused official and got verified by Audit. **The para was settled.**

Punjab Agricultural Development and Supplies Corporation, Okara

4. Para 10: Page 17 – Loss of Rs.456,248/- due to Damage Stock of Fertilizers

7-5-2001: The Department explained that the fertilizer had been damaged due to rain and storage moisture effects. It was further explained that the “value” of bags in question was Rs.235,248/- in 1988 and that the same had been disposed of for Rs.265,070/- in 1999. The sale proceeds had been deposited in the relevant account. The Committee directed that the deposit should be got verified by Audit.

The Committee also observed that no inquiry had been held to determine the responsibility for long storage of the fertilizer from 1988 to 1999 and damage to the stock; the action required to be taken at proper time had also not been taken as

suggested by Audit in 1994. With these directions and observations the para was settled.

6-8-2001: The Committee

re-iterated its previous directive that the deposit should be got verified by Audit within 7 days. The para was settled subject to verification by Audit.

16-10-2001: Audit reported that the deposit in this case had been verified. **The para was settled.**

Punjab Agricultural Development and Supplies Corporation, Bahawalpur

5. Para 11: Page 18 – Non-recovery of Rs.281,792/- being the Cost of Stores Found Short

7-5-2001: The Department explained that an inquiry was held into the shortage of store, and action had been taken against the officer at fault by confiscating his retirement and golden handshake scheme benefits amounting to Rs.699,316/- in favour of defunct corporation; and the adjustment of the confiscated amount was under process. The para was settled subject to verification by Audit of the adjustment of the confiscated amount by the Department.

6-8-2001:

Audit reported that the adjustment of confiscated amount had been verified. The para was settled.

Agricultural Engineering Workshop Bahawalpur Division, Bahawalpur

6. Para 27: Page 33 – The Working Results of Agricultural Engineering Division, Bahawalpur for the year 1996-97

9-1-2001: The Committee observed that almost similar nature of observations had been made by the Audit on the working results and accounting system of all Agricultural Engineering Divisions and the Departmental explanations in all cases were also similar. The Committee recommended that the Finance Department should re-examine the whole matter, including the circumstances and purposes for which the Engineering Wing of Agriculture Department had been declared as a commercial organization.

The Committee further directed that the Administrative Department should brief it on the overall working results of the Agricultural Engineering Wing, about the structure of the subsidy, whether the beneficiaries of the working of the Agricultural Engineering Wing were big land owners or small land owners and whether this activity could be continued or privatized. With the above observations, the para was settled.

7-5-2001: The Department explained that the observations made by the Committee in the last meeting, were being complied with. The Committee directed that the question of treating the workshop as a commercial organisation should be settled within three months. With this observation, **the para was settled.**

Agricultural Engineering Workshop Bahawalpur Division, Bahawalpur

7. Para 28: Page 34 – Fall in Working Hours of Agricultural Machinery

9-1-2001: Explaining the fall in the working hours of the Agricultural Machinery in the Division over the previous years it was stated that certain machines being old required repairs but the funds were not provided for the repair. **The para was settled.**

Agricultural Engineering Workshop Bahawalpur Division, Bahawalpur

8. Para 29: Page 34 – Non-reconciliation of Remittances

9-1-2001: As the requisite re-conciliation had been verified by Audit, **the para was settled.**

Agricultural Engineering Workshop Bahawalpur Division, Bahawalpur

9. Para 30: Page 34 – Outstanding recoveries of Balance Charges Rs.302,883/-

9-1-2001: Giving details of the outstanding amount, the Department explained that Rs.83,228/- recoverable from Zimindars under 700 tubewells schemes had been written off by the Government which had been verified by the Audit. The cases regarding recoverable balance of Rs.70,587/- and Rs.149,068/- from Irrigation Department and Army Authorities respectively had been taken up with the Government in the Finance Department for write off.

The Department was directed to give full details and background in which the amounts recoverable from Zamindars had been written off and to expedite the recovery/write off of the amounts recoverable from Government Departments. The para was kept pending.

7-5-2001: As per observation of the Committee made in the last meeting, the Department submitted the list of individuals and the outstanding amounts against them which had already been written off by the Government. The Department further explained that the case for writing off the amount recoverable from Irrigation Department was in process in the Finance Department, while the case for writing off the amount recoverable from the Army, had been submitted to the Governor, on the advice of the Finance Department and a decision was awaited. The Committee observed that there were no outstanding arrears against individuals, and **settled the para.**

Agricultural Engineering Workshop Bahawalpur Division, Bahawalpur

10. Para 31: Page 34 – Un-necessary Purchase of Spare Parts

9-1-2001: The Department explained that the spare parts purchased at the end of the year 1996-97 were utilized in the subsequent years. The same had been verified by Audit. **The para was settled.**

Agricultural Engineering, Gujranwala Division, Gujranwala

11. Para 35: Page 36 – Non-Production of Record

9-1-2001: The record had since been verified by Audit. The Committee stressed the need for production of record at the time of audit. **The para was settled.**

Agricultural Engineering, Gujranwala Division, Gujranwala

12. Para 36: Page 36 – Production of Details

9-1-2001: The requisite details had since been provided by the Department to Audit. **The para was settled.**

Agricultural Engineering, Gujranwala Division, Gujranwala

13. Para 37: Page 36 – Non-maintenance of Consolidated Assets Register

10-1-2001: The Department explained that consolidated Assets Register at Divisional level had been prepared and shown to Audit. The explanation of the Department was accepted and **the para was settled.**

Agricultural Engineering, Lahore Division, Lahore

14. Para 40: Page 38 – Non-reconciliation of Withdrawals and Remittances

10-1-2001: The Department explained that all the withdrawals and book adjustment were available and shown to Audit. The Audit pointed out that withdrawals to the extent of Rs. 21.260 millions out of Rs.29.450 million pertained to the districts of Okara, Sheikhpura and Kasur which had been verified but the remaining balance of Rs. 8.190 millions of withdrawals pertaining to district of Lahore had not been produced by the Department for verification. The Committee expressed its concern over the delays in reconciliation/verification before compilation of accounts, after receipt of Audit Report and even after receipt of notices of PAC meeting.

The Committee directed that remaining balance of Rs. 8.190 millions pertaining to Lahore district may be got reconciled and verified by Audit and revised working paper be submitted containing all the relevant information and causes of delay in reconciliation/verification. The para was kept pending.

8-5-2001: Audit reported that the remaining balance of Rs. 8.190 million pertaining to Lahore Division had been reconciled and verified. **The para was settled.**

Agricultural Engineering, Lahore Division, Lahore

15. Para 41: Page 38 – Non-production of Record of Issue & Receipt of Stores

10-1-2001: The Department explained that all the confirmation and documentary evidence in respect of issue of stores were provided to Audit. The Committee observed that due care should have been taken by Audit before preparing a Draft Para.

Moreover, Administrative Departments should hold Departmental Accounts Committee and special Departmental Accounts Committee meetings regularly so that all forums should be fully utilised before a matter is brought before the PAC. **The para was settled with the above observation.**

Agricultural Engineering, Lahore Division, Lahore

16. Para 42: Page 38 – Consolidated Assets Register

10-1-2001: As the consolidated assets register had been verified by Audit, **the para was settled.**

Agricultural Engineering, Sargodha Division, Sargodha

17. Para 45: Page 40 – Disposal of Obsolete Stock

10-1-2001: The Department explained that all the surplus/obsolete and unserviceable spare parts/machinery had been disposed of through open auction by the Committee formed by the Government. Adjustment had been made in the stock register and there was no loss to be written off. **The explanation of the Department was accepted and the para was settled.**

Agricultural Engineering, Sargodha Division, Sargodha

18. Para 46: Page 40 – Reconciliation of Receipt of Stores

10-1-2001: The Department explained that all the record was available and may be verified by Audit. The Committee observed that the verification should have been done earlier. The para was settled subject to verification by Audit.

8-5-2001: The Department explained that reconciliation regarding receipt of Stores worth Rs. 871,109/- and Rs.2,066,496/- had been carried out with the Audit. The explanation of the Department was accepted and **the para was settled.**

Punjab Seed Corporation

19. Para 48: Page 41 – Working Results of Punjab Seed Corporation, Lahore

10-1-2001: The Audit had pointed out that the operating profit of the Corporation had declined from Rs.18.90 million to Rs.12.40 million as compared to the previous year. The Corporation attributed this decline mainly to the competition from the private sector besides increase in administrative expenses caused due to increase in wages, POL rates and advertisement charges.

The Committee directed the Administrative Department to explain what action plan had been prepared by the Department to increase the profitability of the Corporation in the revised working paper for the next meeting. The para was kept pending.

8-5-2001: Audit informed the Committee that the Corporation had been showing downward trend in its profit since 1995-96 which had turned into loss in 1999-2000. The Department explained that the working plan made by the Corporation to increase its profitability would yield results in the coming years; the key to greater profitability lay in effective marketing of the products.

The Committee observed that the management of the Corporation should take serious note of the downward trend in the financial results. What was needed was a continuous process of improvement. The Administrative Department should also keep a close watch on the working of the Corporation. **With the above observations, the para was settled.**

Punjab Seed Corporation

20. Para 49: Page 41 – Working Results of the Corporation

7-5-2001: The Commercial Audit had pointed out that the Punjab Seed Corporation had paid financial charges amounting to Rs.13,247,213/- due to bad financial management and its failure to dispose of the stocks and recover the recoverables. The Department explained that wheat seed was procured by the Corporation in May and June which was disposed of during the following year. As a result, the value of stock was bound to be reflected in the financial accounts on 30th June. Moreover, the Corporation had reduced the receivables from Rs.59.89 million in 1996-97 to Rs. 49.87 million in 1999-2000.

The Committee advised the Corporation to review its financial control system in depth and take suitable steps to ensure that its financial charges remained within justifiable limits and factors such as administrative delays in decision making, and overdue receivable, did not add to the burden of financial charges paid by it. **With this advice, the para was settled.**

Punjab Seed Corporation

21. Para 50: Page 42 – Capital Work in Progress

7-5-2001: Audit had verified that a substantial part of the work in progress had since been capitalised. The Department explained that the balance related to a pending case of arbitration. **The para was settled.**

Paras Conditionally Settled

(Civil Audit)

1. **Para 1.4: Page 4 – Loss of Rs.427,140/- due to misuse of Government Vehicle**

14-12-2000: The Department explained that inquiry regarding misuse of Government vehicle was under process. The final decision would be taken on receipt of the findings of the inquiry.

The Committee directed that inquiry may be completed and necessary action taken expeditiously, which should be reported to it. The para was kept pending.

8-5-2001: The Department explained that a de-novo Inquiry had been ordered and was still under progress. Disciplinary action would be taken against the defaulter on the receipt of the Inquiry Report. The Committee directed the Department that the Inquiry proceedings should be completed within 3 months positively. The para was kept pending.

6-8-2001: The Department explained that

as a result of inquiry the recovery of the amount of the para had been ordered from Khawaja Shahab-ud-Din Awaisi, Ex-MPA on account of private use of official vehicle.

The Committee directed

the Department that a copy of the recovery order be produced to Audit and the recovery should be pursued vigorously. The para was settled, subject to recovery and its verification by Audit.

16-10-2001: The Department reported that some amount had already been deposited and balance was expected to be paid shortly. The Committee re-iterated its previous decision dated 6.8.2001 for **settlement of the para subject to the recovery and its verification** by Audit. The Committee directed that Finance Department should monitor and report progress in the case.

2. **Para 1.5: Page 5 – Loss of Rs.120,104/- due to Non-Deduction of House Rent**

13-12-2000: The Audit reported that the actual amount to be recovered from Zila Council, Hafizabad came to Rs.198,595/- upto June, 1999. Against this, the recovery of Rs.30,000/- had been verified. The Department explained that the balance would be recovered from the Zila Council shortly. The Committee settled the para subject to making of balance recovery of Rs.168,595/- in lumpsum and its verification by the Audit.

8-5-2001: Audit reported that the Department could not make recovery of house rent from Zila Council, Hafizabad.

The Committee directed that the Administrative Department should approach the Finance Department for making recovery of Rs.168,595/- from the Zila Council “at source”. The para was kept pending.

6-8-2001:

The Department explained that pursuant to the directive of the Committee dated 8 May 2001, the matter of recovery of the balance amount from Zila Council, Hafizabad had been referred to the Finance Department for recovery ‘at source’. However, the Zila Council had also claimed to have incurred an expenditure of Rs.50,966/- on the repair of the building. The Department had to decide whether this amount was payable to the Zila Council.

The Finance Department was of the view that deduction at source may not be possible without the consent of the organizations concerned. The Finance Department, however, assured the Committee that the matter would be resolved by it. The Committee directed the Finance Department to take a final decision in this matter within a period of one month. The para was kept pending.

16-10-2001: With reference to the minutes of the meeting dated 6.8.2001, the Finance Department informed that a letter had been sent to the Secretary, Local Government and Rural Development Department for arranging recovery from District Council, Hafizabad and its payment to the Agriculture Department. The **para was settled with** the direction that the Administrative Department should pursue and **Finance Department monitor the case.**

3. **Para 1.13: Page 10 – Non-accountal of Cheques amounting to Rs.1,119,190/- by Deputy Manager, Oil Seed, Sahiwal**

14-12-2000: The Department explained that most of the amounts were paid to the parties and not transferred to Oil Seed (i.e. Deputy Manager, Sahiwal). Only Rs. 154,291/- was transferred to Oil Seeds Sahiwal for day to day expenses and complete

record was available. The para was kept pending for verification of record by Audit within one month.

9-5-2001: The para was considered with reference to the minutes of the meeting held on 14.12.2000. Audit had verified the record pertaining to transfer of Rs.622,309/-. The remaining amount (Rs.496,881/-) was under the audit jurisdiction of Director General Audit (Works). **The para was settled with the observation** that Director General Audit (Civil) should have arranged to get the verification completed by reference to the office of the Director General Audit (Works) also. This should be completed now.

4. Para 1.19: Page 14 – Recovery of Rs.969,667/- on account of Less Deduction of Electricity Charges From Residents of Agriculture Colony

14-12-2000: The Department explained that the matter required a detailed inquiry in order to determine the full facts of the case and proposed that a joint committee of the representatives of the Administrative Department and Audit to conduct it. The para was kept pending in the above context. The Committee desired that the report of the inquiry should be submitted to it without delay.

8-5-2001: The Department explained that in compliance with the direction of the Committee made in the last meeting, an inquiry had been held, and the Administration of Ayub Agriculture Research Institute had been directed to take immediate necessary action in the light of the recommendations of the Inquiry Report. The para was accordingly kept pending.

6-8-2001: The Department explained that the case was pending in the Civil Court, Faisalabad regarding recovery of electricity due

from the residents of AARI and the next date of hearing had been fixed for 8-10-2001.

The Committee observed that as the local officers might have a vested interest in this case, the case (in which the Department should be a party) should be pursued at the level of the Administrative Department in the court. The para was kept pending.

16-10-2001: The Department explained that the matter was still sub-judice. The Committee observed that the Department had taken a decision which had been contested in the court and the law would take its own course. The Committee directed the Administrative Department to pursue and **Finance Department to monitor the case. The para was settled.**

5. Para 2.1: Page 17 – Loss of Rs.180,330/- on account of Non-deposit or Less Deposit of Rental Charges

14-12-2000: The Department explained that an amount of Rs.38,970/- had already been recovered and verified by Audit. An inquiry was conducted by the Department to probe into the matter relating to balance recovery of Rs. 141,360/-. Mr. Muhammad Aslam, Ex WMS, Sahiwal and Mr Mukhtar Ahmad, Store Keeper were held jointly responsible for the loss of Agriculture machinery. Disciplinary action against both of them had been initiated. The Committee directed that disciplinary action be completed within the shortest possible time and the outcome reported to it. The para was kept pending.

8-5-2001: The Department explained that a de-novo inquiry had been ordered on 17-3-2001 under section 5 of Punjab Removal from Service (Special Powers) Ordinance, 2000. The inquiry report had been received by the Authority and decision in the matter would be taken soon. The para was accordingly kept pending.

6-8-2001: The Department explained that as per directive of the Committee dated 7-9 May 2001, inquiry proceedings were initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000, and on the culmination of the proceedings the Competent Authority had imposed major penalty of recovery of Rs.100,745/- on Mr Muhammad Aslam, Water Management Specialist and major penalty of recovery of Rs.100,745/- and reduction to lower post on Mr Mukhtar Ahmed, Senior Clerk. The Committee directed the Department to provide copies of the record of proceedings and punishment orders to Audit. The para was settled subject to verification by Audit.

16-10-2001: The Department explained that the recovery had been imposed on the Water Management Specialist and the clerk under the Punjab Removal from Service (Special Powers) Ordinance, 2000 and their appeals were under consideration. The Committee directed that Administrative Department should finalize decision and if so decided the recovery should be ordered from the pay @ 1/3 of the pay. The Committee directed the **Finance Department to monitor the case. The para was settled.**

AGRICULTURE UNIVERSITY, FAISALABAD

6. Para 5.1: Page 49 – Loss of Rs.1,268,922/- on account of Irregular Grant of Advance Increments to ad hoc Appointees

6-8-2001: The Department explained that under the provisions of the University of Agriculture Faisalabad Employees (Basic Pay Scales and Fringe Benefits) Statutes 1987, there was no restriction on the grant of advance increments for higher qualifications to teachers appointed on temporary basis. However, Audit was of the view that the Department had not quoted any provision under which the University could allow advance increments to ad hoc appointees, such appointments are made for a limited period and could not be confirmed for an indefinite period.

The Committee directed the Department to submit a revised working paper in the next meeting, giving full facts and figures of the case, including—

- (a) whether the employees in question were appointed on a temporary or ad-hoc basis, and how would the provision of advance increment apply in either case;
- (b) whether the appointments and grant of advance increments had been approved by the Syndicate; and
- (c) why certain employees were still working on *ad hoc* or temporary basis after passage of a long time.

The para was kept pending.

16-10-2001: The Vice-Chancellor of the University of Agriculture, Faisalabad explained that there was no distinction between the regular employees and ad-hoc employees for the purpose of grant of advance increments in the Pay Revision Rules of 1993 and 1987. Therefore, the ad-hoc/temporary appointees were also granted the said facility. In 1993, the Finance Department issued a clarification to A.G. Punjab, without endorsing the same to the Administrative Departments and Autonomous Bodies that ad-hoc appointees would not be entitled to advance increments on account of higher qualification. The ad-hoc appointees obtained a stay order and continued to draw the same.

The Committee observed that the University should seek decision of its Syndicate on this issue. The Committee also directed that the Finance Department should also review **its disputed clarification. The para was settled.**

7.

Para 5.15: Page 56 – Irregular Payment of Rs.5,749,000/- on Account of Orderly Allowance

6-8-2001: The Department explained that University of Agriculture had obtained approval of the Syndicate for payment of orderly allowance to the Professors/Officers in BPS-20 at prescribed rates on provisional basis in anticipation of the approval of the Chancellor. The Department also stated that an undertaking had been obtained from each officer concerned to refund the payment in case of an adverse decision. The Administrative Secretary explained that he had already submitted a summary in this respect to the Governor, Punjab for taking a uniform decision in this matter because other universities were also following the same practice.

The para was settled with the observation that the Department should take early action in the matter as per decision of the Governor/Chancellor.

(COMMERCIAL AUDIT)

Agricultural Engineering Workshop, D.G. Khan

1. Para 6: Page 15 – Irregular and Doubtful Purchase of Spare Parts valuing Rs.1.166 million

9-1-2001: In Agricultural Engineering Workshop Spare parts valuing Rs.1,165,651/- had been purchased over a period of 5 months from May to October, 1993 through 23 supply orders in different dates for different amounts ranging from Rs.10,000/- to 59,000/-. The Audit had pointed out that the said purchase had been made by splitting of indent to avoid the sanction of higher authority and to circumvent the requirement of the advertised tender. The Department explained that under Serial No.5-C of the delegation of power Rules the Agricultural Engineer had full power to purchase spare parts and each purchase was of the value of less than one lac, therefore, advertisement tender inquiry was not necessary and sealed quotations had been obtained from registered/approved firms. Moreover, the Agricultural Engineers are required to keep the agricultural machinery in working condition by purchasing spare parts in short time, but the invitation of tender through advertisement in the press involved long time.

The representative of the Finance Department commented that if the administrative Department felt that their performance was handicapped due to application of certain rules on large scale, they may move for amendments in the relevant rules.

The Committee observed that the Audit had pointed out no embezzlement in the purchases but only irregularity of the procedure. The Committee decided to settle the para subject to regularization of the said purchases by the Finance Department.

7-5-2001: The Department explained that as per observations of the Committee made in the previous meeting, the case for regularization of the purchases had been taken up with the Finance Department, and was still in process.

The Committee directed that the cases of regularization/write off relating to the Audit paras pending before the PAC, should be decided expeditiously by the Finance Department. The para was kept pending.

6-8-2001: The Department explained that

the case for regularisation of the expenditure had been sent to the Finance Department and the result was still awaited.

The Finance Department

stated that the case involved relaxation of Rules and the case should be sent to Governor Punjab for his decision.

The Committee directed the Finance Department to

expedite the decision in the matter. The para was kept pending.

16-10-2001: The Department explained that the expenditure had since been regularized by the Finance Department. Audit, however, pointed out that the year mentioned in the regularization sanction did not tally with the year under observation. The Department was directed to get the record verified by Audit. **The para was settled.**

Punjab Agriculture Development and Supplies Corporation, Chiniot

2. **Para 12: Page 18 – Loss of Rs.139,284/- due to Defalcation/Misappropriation of Fertilizer**

7-5-2001: The Department stated that the para comprised two parts and explained as under:

(i) Defalcation of Rs.82,300/-

The Department explained that an FIR was got registered against the concerned storekeeper for misappropriation of 823 bags of DAP. The Police recovered 152 bags which were disposed of for Rs.21,900/-. The said storekeeper was removed from service.

(ii) Defalcation of Rs.56,984/-

The Department explained that an FIR was got registered against the storekeeper concerned for misappropriation of 838 bags of urea. The police could not arrest the accused or recover the goods.

It was further explained that the loss in both the cases was being referred to Finance Department for write off. The para was kept pending.

06-08-2001: The Department explained that both the cases ha

d been forwarded to the Finance Department for write-off, but the sanction was still awaited. The para was settled subject to write-off by Finance Department and its verification by Audit.

16-10-2001: The Committee re-iterated its previous decision for settlement of the para subject to write off sanction by the Finance Department. It was expected that Finance Department would monitor and report progress in this case.

Guest House of Punjab Agriculture Development and Supplies Corporation

3. **Para 13: Page 19 – Non-recovery of Rent and Utility Charges of Rs.0.359 million from Occupant of Guest House**

7-5-2001: Audit reported that a Superintendent of Police occupied a flat in PAD&SC Habitat Colony Lahore. He stayed there from 1.8.92 to 10.9.94 but did not pay the rent and utility charges amounting to Rs.0.359 million. The Department explained that the said Rest House was in the control of the then Minister for Agriculture, who had allowed the officer to stay in it.

The Committee directed that an inquiry should be held to determine the names of allottees of the flat, names of the actual occupants with periods of occupancy and the amount of rent and other charges recoverable from them. The inquiry should be completed within 2 months and action taken as warranted by Laws and Rules. The para was kept pending.

6-8-2001: The Department explained that a letter had been sent to the Establishment

Division for recovery of rent from the SSP (Mr Fateh Sher Joyia) and notice of recovery had been issued to Mr Asif Iqbal. The DG Commercial Audit pointed out that it was a case of unauthorized occupation, and rent at penal rates and utility charges should be recovered from unauthorised occupants.

The Committee directed the Department

to recover penal rent and utility charges from the unauthorized occupants according to the government instructions. The para was kept pending.

16-10-2001: The Department explained that recovery as arrears of land revenue had been ordered from the concerned persons.

The Committee directed the Administrative Department to pursue the recovery and the Finance Department to monitor the same. **The para was settled.**

Punjab Agriculture Development and Supplies Corporation, Faisalabad & Muzafargarh

4. Para 14: Page 19 – Loss of Rs.1.319 million due to Shortage of Cymbush during its Refilling

7-5-2001: Audit reported that in the district offices Faisalabad and Muzaffargarh, PAD&SC a pesticide (Cymbush) was found short while handing over the pesticide to ICI for repacking of 5 litre packing into 1 litre packing in 1991.

The Department explained that the loss had occurred due to long storage, chemical reaction and development of rust on the tins, and could not be attributed towards negligence of any official.

The Committee directed that the successor administration of the defunct PAD&SC should hold an inquiry into the matter, fix responsibility for the loss as well as for the delay in dealing with the audit objection and take action as warranted by the law and the rules. The para was kept pending.

6-8-2001: The Department explained that

as per directive of the Committee dated

May 7, 2001, an inquiry was held into the para. As per finding of the Inquiry Report a total quantity of 45,000 litres of Cymbush was purchased from ICI in 1986. Only 38,226.50 litres were sold, leaving a balance of 6,773.50 litres. It was got re-packed from the ICI from 5 litre pack to one litre pack and a quantity of 5787.30 litres was lost in re-packing and 986.20 litres was available in stock.

Audit commented that shortages of quantity in sealed packs were reported by various districts in 1989 but the Headquarters had not taken any action in the matter. Moreover, as M/s ICI had a vested interest in the matter, the technical advice given by their Business Development Manager, should not be relied on.

The Committee observed that if the pesticide had been short supplied originally, then the inquiry report could not be regarded as satisfactory, it seemed to be a “cover-up”. The Committee directed that the matter should be inquired into at a higher level, and all the relevant technical and administrative aspects of the case should be thoroughly looked into. Responsibility should be fixed, inter alia, for short supplies and failure to report the loss at various stages to Government and Audit as required under the Rules. The para was kept pending.

16-10-2001: The Department explained that an inquiry had been held. The loss in quantity of the pesticides had been caused due to various causes including long storage and it was not possible at this belated stage to fix the responsibility for the loss.

The Committee observed that it was a case of bad management. Audit had pointed out the matter in 1996 and the Department had failed to take timely action. The Department should get the loss written off by the Finance Department. **The para was settled subject to writing off the loss by the Competent Authority.**

Agricultural Engineering Workshop, Bahawalpur Division, Bahawalpur

5. Para 32: Page 34 – Calculation of subsidy on Commercial Rates instead of Actual Charges

9-1-2001: The Audit pointed out that the subsidy on account of bulldozers’ hire charges had been worked out by the Department on the basis of commercial rates instead of “full rates” of machines based on actual working.

The Department explained that in compliance with the previous decision of the Public Accounts Committee, the matter had been referred to the Finance Department, but no reply had been received. The Committee directed the Finance Department to decide the matter within 2 months. With the above observation, the para was settled.

7-5-2001: The Committee directed that as per its observation made in the last meeting, the Finance Department and the Administrative Department should resolve the issue at the earliest. **The para was settled.**

Agricultural Engineering Workshop, Bahawalpur Division, Bahawalpur

6. Para 33: Page 34 – Working Results of the Workshop

9-1-2001: The Committee directed that the Finance Department, in consultation with the Administrative Department and Audit Department, should decide within 2 months whether there was need for maintaining commercial accounts in this field of activity. The para was kept pending.

7-5-2001: The Committee re-iterated its observation made in the last meeting that the Finance Department and

Administrative Department should resolve the issue at the earliest. **The para was settled.**

Agricultural Engineering, Gujranwala Division, Gujranwala

7. Para 34: Page 35 – Working Results in the year 1996-97

9-1-2001: The Committee observed that almost similar nature of observations had been made by the Audit on the working results and accounting system of all Agricultural Engineering Divisions and the Departmental explanations in all cases were also similar.

The Committee recommended that the Finance Department should re-examine the whole matter, including the circumstances and purposes for which the Engineering Wing of Agriculture Department had been declared as a commercial organization.

The Committee further directed that the Administrative Department should brief it on the overall working results of the Agricultural Engineering Wing, about the structure of the subsidy, whether the beneficiaries of the working of the Agricultural Engineering Wing are big land owners or small land owners and whether this activity could be continued or privatized. With the above observation, the para was settled.

8-5-2001: The Department explained that in compliance with the direction of the Committee made in the last meeting, the Finance Department had been moved to review the status of the Field Wing. Moreover, a Report on the working of the Field Wing had been submitted to the Committee as desired by it in the last meeting. The Committee decided to give its comments on the said report separately.

The Committee directed that the Finance Department should take a decision within 3 months on the following issues–

- (i) whether maintenance of commercial accounts was necessary for this activity and similar activities; and
- (ii) whether the subsidy should be calculated on the basis of full rate or commercial rate.

With the above observation, the para was settled.

Agricultural Engineering, Gujranwala Division, Gujranwala

8. Para 38: Page 36 – Preparation of Books of Accounts on Commercial Pattern

10-1-2001: The Committee directed that the Finance Department, in consultation with the Administrative Department and Audit Department, should decide within 2 months whether there was need for maintaining commercial accounts in this field of activity. The para was kept pending.

8-5-2001: The Department explained that in compliance with the directions of Committee, the matter had been referred to the Finance Department, and a final decision was awaited. **The para was settled.**

Agricultural Engineering, Lahore Division, Lahore

9. Para 39: Page 37 – Working Results

10-1-2001: The Committee observed that almost similar nature of observations had been made by the Audit on the working results and accounting system of all Agricultural Engineering Divisions and the Departmental explanations in all cases were also similar.

The Committee recommended that the Finance Department should re-examine the whole matter, including the circumstances and purposes for which the Engineering Wing of Agriculture Department had been declared as a commercial organization.

The Committee further directed that the Administrative Department should brief it on the overall working results of the Agricultural Engineering Wing, about the structure of the subsidy, whether the beneficiaries of the working of the Agricultural Engineering Wing are big land owners or small land owners and whether this activity could be privatized. With the above observation, the para was settled.

8-5-2001: The Department explained that as per directions of the Committee, the matter had been referred to the Finance Department, and a final decision was awaited. **The para was settled.**

Agricultural Engineering, Lahore Division, Lahore

10. Para 43: Page 38 – Maintenance of Account Books on Commercial Pattern

10-1-2001: The Committee directed that the Finance Department, in consultation with the Administrative Department and Audit Department, should decide within 2 months whether there was need for maintaining commercial accounts in this field of

activity. The para was kept pending.

8-5-2001: The Department explained that as per direction of the Committee, the matter had been referred to the Finance Department, and a final decision was awaited. **The para was settled.**

Agricultural Engineering, Sargodha Division, Sargodha

11. Para 44: Page 39 – Working Results

10-1-2001: The Committee observed that almost similar nature of observations had been made by the Audit on the working results and accounting system of all Agricultural Engineering Divisions and the Departmental explanations in all cases were also similar.

The Committee recommended that the Finance Department should re-examine the whole matter, including the circumstances and purposes for which the Engineering Wing of Agriculture Department had been declared as a commercial organization.

The Committee further directed that the Administrative Department should brief it on the overall working results of the Agricultural Engineering Wing, about the structure of the subsidy, whether the beneficiaries of the working of the Agricultural Engineering Wing are big land owners or small land owners and whether this activity could be continued or privatized. With the above observation, the para was settled.

8-5-2001: The Department explained that as per direction of the Committee, the matter had been referred to the Finance Department and a final decision was awaited. **The para was settled.**

Agricultural Engineering, Sargodha Division, Sargodha

12. Para 47: Page 40 – Non-maintenance of Account Books on Commercial Pattern

10-1-2001: The Committee directed that the Finance Department, in consultation with the Administrative Department and Audit Department, should decide within 2 months whether there was need for maintaining commercial accounts in this field of activity. The para was kept pending.

8-5-2001: The Department explained that as per direction of the Committee the matter had been referred to the Finance Department and a final decision was awaited. **The para was settled.**

Paras Pended

(Civil Audit)

1. Para 1.12: Page 9 – Likely Misappropriation of Wheat Seeds and Fertilizers etc. Rs.380,290/-

14-12-2000: The Department informed the Committee that the matter of likely misappropriation of wheat seeds and fertilizers had been probed into and it was revealed that the wheat seeds and fertilizers issued to Agriculture Officers and Field Assistants for the purpose of demonstration plots had been fully utilized and all the receipts and issue entries of seeds and fertilizer had been made in the stock/store registers. The para was settled subject to verification of record by Audit.

9-5-2001: The para was considered with reference to the minutes of the meeting held on 14.12.2000. Audit pointed out that the actual amount of para comes to Rs.245,350/- instead of Rs.380,290/-.

It was also reported by Audit that neither the entire requisite record was produced by the Department nor the record produced appeared to have been genuinely prepared.

The Committee directed that the Administrative Department should hold an inquiry and a representative of Audit should also be associated with the inquiry. Responsibility for the irregularities (likely misappropriation, poor maintenance of proper records, etc.) should be fixed and action taken against the persons at fault. The para was kept pending.

6-8-2001: The Department explained that

in compliance with the directive of the Committee dated 9-5-2001 an inquiry had been ordered through an Inquiry Committee, which also included a representative of Audit and action would be taken in the light of the findings of its report. The Department was directed to complete the inquiry and consequential action before the Ad hoc PAC's next meeting. The para was kept pending.

16-10-2001: The Department explained that the report of the Inquiry Officer had been received and was under consideration of the Authority. The Committee directed the Department that decision/action should be taken expeditiously. **The para was kept pending.**

2. Para 2.10: Page 22 – Misappropriation of Material worth Rs.134,818/-

15-12-2000: The Department explained that the material was issued to the Water Users Association within the approved limit of the cost estimate. During construction, major portion of the water course was demolished by the farmers/parties as a result of disputes among them. This has been verified by the consultants. The material at site was either damaged or carried away by the farmers. The parties filed suits against each other which is under trial in the Court of Civil Judge Pakpattan. However, proceedings under E & D rules have been initiated against Water Management Supervisor concerned for negligence and lack of supervision. The inquiry is under process.

During discussion the Department revealed that an FIR has also been lodged by the Department in this case.

The PAC directed that the Department that–

- (a) The FIR may be pursued vigorously.
- (b) The Department may consider becoming a party in the Civil suit to safeguard the Government interest.
- (c) The Departmental action against the official at fault may be finalized within the shortest possible time.

The para was kept pending.

9-5-2001: The para was considered with reference to the minutes of the meeting held on 15.12.2000. The Department explained that a de-novo inquiry had been ordered in April, 2001 against Water Management Coordinator and other officers concerned, and the same was in progress.

Referring to the mis-representation of facts of the case in the last meeting, the Department stated that full facts had not been provided to the Administrative Department by the lower formations.

The Committee took a serious note of the incorrect statement of facts forwarded and directed that action for mis-reporting in the last meeting should also be taken and reported to the Committee. The para was kept pending.

6-8-2001: The Department explained that

action on the previous directive of the Committee dated 7-9 May 2001, was in progress.

The Department further stated that disciplinary action ha

d been initiated under the Punjab Removal From Service (Special Powers) Ordinance 2000, against Mr Irshad Ahmad, the then Director General Field, Multan and Mr Bashir Ahmad Anjum, the then WMC, Sahiwal who were responsible for mis-reporting the facts of the case.

The Committee directed that the recovery and action should be completed before its next meeting. The para was kept pending. The Department explained that two issues were involved in this case.

16-10-2001: The Department stated that the officer responsible for misrepresentation of facts before the Committee was proceeded against under the Punjab Removal from Service (Special Power) Ordinance, 2000 and was awarded the penalty of “Censure”. The Committee decided to settle this issue.

Regarding the irregularities pointed out in the Audit Para, the Department stated that the inquiry report had been received and was being examined. The Committee directed that the decision/action on the report should be finalized expeditiously. **The para was kept pending.**

3. Para 5.2: Page 50 – Loss due to Less Realization of Electricity Charges Rs.668,33

6-8-2001:

After consideration of the audit observation, the Departmental reply and further audit comments, the Committee directed that an Inquiry Committee, including a representative of Audit, should be appointed by the Department to inquire into the para, and the recommendation of the inquiry report should be considered by the competent authority and its decision implemented, by the University/Department under intimation to the Public Accounts Committee Secretariat. The para was kept pending.

16-10-2001: The Department explained that the report of the Inquiry Committee had been received. It was stated that the

electricity in four residential colonies was being supplied in different ways i.e. through separate connections and through bulk supply. It was, therefore, difficult to charge different rates of electricity from residents of different colonies in the same university.

The Committee observed that the Inquiry Committee should also see the system of billing and take into consideration the quantum of electricity consumption on installation of the University like Tube-Well, Street lights, etc. and make realistic calculation of the rate to be charged from the residents through bulk supply. The Committee further directed that separate meters should be provided to all residents. **The para was kept pending.**

(Commercial Audit) Punjab Seed Corporation, Lahore

1. **Para 15: Page 20 – Misappropriation of Wheat Seed and Sale Proceeds amounting to Rs.344,460/- by the Store Clerk**

10-1-2001: The Audit had pointed out that the Store Keeper of Seed Sale Point Lahore had mis-appropriated wheat seed and sale proceeds of wheat seed worth Rs.404,460/-. The Corporation had recovered only Rs.60,000/- from him and Rs.344,460/- were still outstanding. The delay in finalization of Departmental inquiry and non-registration of criminal case facilitated the accused to abscond and proceed abroad.

The Department explained that in the Departmental proceedings the said Store Keeper was held responsible for misappropriation. He was dismissed from service w.e.f. 18.12.1995 vide order dated 23.10.1997. His dues would be adjusted against the said amount when finalized. FIR had also been lodged against him on 4.3.1997.

The Committee was not satisfied with the explanation of the Department, and questioned that in the presence of fortnightly or monthly physical verification of Stock and Sale proceeds, how the Store Keeper had succeeded in misappropriation without the connivance/negligence of the Supervisory Officers.

The Committee directed that the Administrative Department should hold an inquiry to ascertain all matters involved in the case including the procedural lapses which made the misappropriation possible, the delay in registration of FIR, the delay in finalization of Departmental action etc. and to determine the extent of responsibility of all concerned. The Department may also consider what legal steps could be taken at this stage and whether recovery could be made from the persons responsible for connivance/negligence facilitating the misappropriation of stores/ money and escape of the culprit. The para was kept pending.

8-5-2001: The Department explained that in compliance with the directions of the Committee given in the last meeting, an Inquiry Committee had been constituted to probe into the matter.

The Committee directed the Department that the Inquiry should be completed expeditiously and action should be taken in the light of the report by the Department as warranted by the law and rules. The para was kept pending.

6-8-2001: The Department explained that the

Inquiry Committee constituted to inquire into the para, as reported in the previous meeting on May 8, 2001, had submitted its report and had held 5 persons responsible for the misappropriation pointed out in this para. The matter would be placed before the Board of Punjab Seed Corporation during the coming week for decision. The Committee desired that a copy of the inquiry report may be supplied to Audit. The para was kept pending.

16-10-2001: The Department explained that the inquiry report, in which 5 persons had been held responsible for misappropriation pointed out by Audit, was submitted for decision, to the Board who had observed that Board was not competent to take a decision in the matter. The matter would be referred to the Law & Parliamentary Affairs Department for advice.

The Committee directed that the Administrative Department should finalize the necessary action in the matter expeditiously. **The para was kept pending.**

Working Papers not received

Para No. 3(i) Agricultural Engineering, D.G. Khan Division,
D.G. Khan.

1995-96
1996-97

Para No. 3(ii)	Agricultural Engineering, Gujranwala Division, Gujranwala.	1996-97
Para No. 3(iii)	Agricultural Engineering, Jhelum Division, Jhelum.	1994-95 1995-96 1996-97
Para No. 3(iv)	Agricultural Engineering, Lahore Division, Lahore.	1994-95 1995-96 1996-97
Para No. 3(v)	Agricultural Engineering, Multan Division, Multan.	1994-95 1995-96 1996-97
Para No. 3(vi)	Agricultural Engineering, Talagang Division, Talagang.	1995-96 1996-97
Para No. 3(vii)	Agricultural Engineering, Faisalabad Division, Faisalabad.	1996-97
Para No. 3(viii)	Agricultural Engineering, Rawalpindi Division, Rawalpindi.	1996-97
Para No. 3(ix)	Punjab Agricultural Development and Supplies Corporation, Lahore.	1996-97

BOARD OF REVENUE

Overview

Total Paras	Civil	Commercial	Works	Receipts
194	31	--	--	163

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 17	Paras finally settled as the requisite action had been taken.	Civil: 3.5, 3.20, 3.21(i & ii), 3.22 & 3.26	6	81-82
		Revenue Receipts: 6.1(a): 4352, (b): 4408, 6.2(c)(i): 2801, 2802, 2803, 2681, 1389, 4518, 4521, 4473, (ii): 4465	11	82-83
Paras Conditionally Settled 38	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 3.23	1	84
		Revenue Receipts: 6.2(a)(i): 4326, 2814, 2856, 3071, 3056, 4487, 2817, 2815, 2970, 4380, 4383, 4441, 4440, 2808, 2436, 4216, 4206; (iii): 4381; (iv): 3094, 4184, 2972, 2973, 6.2(c)(ii): 4266, 4209, 4213, 4592, 4294, (iii): 2834, 4515, 4430, 4211, 4451, (vi): 3063, (viii): 4593, (ix): 2884, 6.2(e): 2961, 4214	37	84-87

Continued ...

Paras Pended 139	Paras pended as the Department had not taken satisfactory action.	Civil: 3.1, 3.2, 3.3, 3.4(1,2,3), 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13, 3.14, 3.15, 3.16, 3.17, 3.18, 3.19, 3.24, 3.25, 3.27 and 3.28 Revenue Receipts: 6.1(a): 4364; 6.1(c): 4120, 2997, 4144, 2718; 6.2(a): 4333, 4327, 3064, 3058, 2879, 4382, 4385, 4565, 4571, 4590, 4564, 4569; (i): 2847, 4366, 4370, 4379, 4344, 4452, 2439, 4261; (ii): 4478; 6.2(b): 4365, 4265, 4409, 4341, 4338, 4449, 4458, 4601, 4488, 4426, 2232, 2233, 2231, 2261, 3062, 3065; 6.2(c)(ii): 4369, 4496; (iii): 4343, 2673, 4600; (iv): 3054, 3070; (v): 4468, 1314, 4474, 4468, 4486; (vii): 3087; (x): 4475; (xi): 4092; 6.2(d): 4411, 2602, 4368, 2232, 4591, 2848, 4321, 2854, 2255; 6.2(e): 4410	24	88-102
	Paras pended as the Department did not submit the working papers.	Revenue Receipts: 2.2, 6.3(a): 4423, 4434, 4469, 4491, 4021, 4034, 4041, 4387, 3049; 6.3(b): 2481, 4040, 4019, 4010, 2950; 6.4: 4415, 4490, 4463, 4470, 2898, 4424, 4537, 4254, 2986, 3045, 4575, 4575, 4575; 6.5: 4126, 4415, 4435, 4454, 4418, 2865; 6.6: 4425, 4436, 2460, 4471, 3046, 4433, 4129, 2999, 2985, 4388, 4257, 4464, 4308; 6.7: 2278 Chapter 9 & 10	67	102-107
		48	108	

Discussed on 23-24 January, 24 April, 13 August and 2 October 2001

Paras Finally Settled

Civil Audit

1. Para 3.5: Page 29 – Loss of Rs.156,140/- Due to Non-recovery of Lease Money

23-1-2001: The Department explained that the defaulting contractors had filed a Civil Suit which had been dismissed by the Civil Court and their appeal in the Court of Additional District and Sessions Judge was pending. However, an amount of Rs.69,140/- had been recovered and the

remaining amount of Rs.87,000/- would also be recovered shortly.

The Committee directed that balance recovery may be expedited. The Committee further directed that an inquiry may be held to fix responsibility and take disciplinary action against officials responsible for not realizing the amount at proper time and for delay in making the recovery over a long period.

The recovery and disciplinary action should be completed within 3 months. The para was kept pending.

24-4-2001: The Department explained that the Additional District and Sessions Judge, Faisalabad decided the appeal of contractor on 17.3.2001 with the direction that the remaining amount of Rs.87,000/- may be paid by the contractor in monthly instalments at the rate of Rs.15,000/- P.M. each. Accordingly, the first instalment had been recovered and deposited into the Government Treasury leaving a balance of Rs.72,000/-. Moreover, the inquiry had been entrusted to the EAC(R) for fixing responsibility and taking disciplinary action against the official at fault.

The Committee directed that the balance recovery as per decision of the court should be pursued and inquiry and disciplinary action be completed within one month. The para was kept pending.

13-8-2001: Audit had already verified the recovery of lease money of Rs.99,140/- and Rs.45,000/-. The balance recovery of Rs.12,000/- had also since been verified by Audit. **The para was accordingly settled.**

2. Para 3.20: Page 37 – Non-recovery of Contract Money of Toll Tax Amounting to Rs.270,000/-

23-1-2001: The Department explained that total recovery of Rs.270,000/- had been effected and got verified by Audit. **The para was settled.**

3&4. Para 3.21(i&ii): Page 38 – Non-recovery of Rs.64,472/- on account of rent of Katchery Compound

(i) D.C. Faisalabad Rs.40,800/-

23-1-2001: The Department explained that total recovery of lease rent amounting to Rs.40,800/- in respect of the latrine and Rs. 28,500/- in respect of book binding had been recovered and deposited into the Government Treasury and got verified by Audit. **The para was settled.**

(ii) D.C. Mianwali Rs.23,672/-.

23-1-2001: The Department explained that an amount of Rs. 14,000/- had been recovered out of total recovery leaving the balance of Rs. 9,672/-. Efforts were being made to recover the amount in balance. The Committee settled the para subject to recovery of balance amount and its verification by Audit.

24-4-2001: The Department explained that the balance recovery of Rs.9,672/- had also been made and verified by Audit. Since the whole recovery had been made, **the para was settled.**

5. Para 3.22: Page 39 – Irregular Drawal of Conveyance Allowance Rs.139,927/-

24-1-2001: The Department explained that the Magistrates had not been allocated official cars, but they had been provided vehicles from the pool for performance of their official duties,

beyond office hours and on holidays. As such they had validly drawn the conveyance allowance admissible to them under the rules.

The Committee discussed the issue at length and recommended that the Finance Department may review and update the Government Vehicles (Use and Maintenance) Rules, to check the misuse of government vehicles. **The para was settled.**

6. Para 3.26: Page 41 – Embezzlement of Rs.187,100/-

23-1-2001: The Department explained that an amount of Rs.145,100/- out of total amount of Rs. 187,100/- had been recovered and efforts were being made for balance recovery.

The Committee directed the Department to effect the balance recovery and get it verified by Audit. The para was kept pending.

24-4-2001: The Audit verified that total amount of Rs.187,100/- had been recovered and deposited into government treasury. **The para was settled.**

REVENUE RECEIPTS AUDIT

6.1(a) Page 43; Non-realization of Government Revenue, due to grant of gift in favour of persons other than legal heirs Rs. 827,655/-

(1) Para No. 4352, Page 43, Sub-Registrar, Kasur – Rs.489,720/-

24-4-2001: The Audit reported that the regularization action taken by the Department was required to be got verified by Audit. Thus, this part was settled by the Committee subject to verification by Audit.

13-8-2001: The explanation of the BOR was accepted and **the para was settled.**

6.1(b) Page 44; due to exchange of agricultural land exceeding 25 acres-Rs.156,750/-

(2) Para No. 4408, Page 44, Sub-Registrar, Kot Radha Kishan

24-4-2001: The Audit reported that the regularization action taken by the Department was required to be got verified by Audit. Thus, this part was settled by the Committee subject to verification by Audit.

13-8-2001: The explanation of the BOR was accepted and **the para was settled.**

6.2(c)(i) Pages 51-52 – due to application of incorrect rate-Rs.1,847,205/-

24-4-2001: Audit reported that in part No.6.2(c)(i), in the following PDP Nos., the Stamp Duty on registration of document was not charged correctly:-

(3 to 10)	2801, 1389,	2802, 4518,	2803, 4521,	2681, 4473
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The Department explained that the Stamp Duty was chargeable @ 5% on the nature of land at the time of registration of the document although it might be used for residential purposes. The Department stated that its view was supported by the Law Department as well as by various judgements of the Lahore High Court. **These parts were settled.**

6.2(c)(ii): Pages 52-53 – due to application of incorrect rate-Rs.1,847,205/-

11. Para No. 4465, Sub-Registrar, Tibba Sultan Pur-Rs.33,345/-

24-4-2001: The Audit reported that in part No.6.2(c) (ii), in PDP No. 4465, the Department contended that the respective deed was classifiable under article 35 (a)(iii), which was supported by a judgement of the Lahore High Court. The Department was directed to show the said judgement to Audit. The part was settled subject to verification by Audit.

2-10-2001: The Committee observed that Working Paper was incomplete and un-satisfactory and directed that the Department should pursue the recovery of Government dues and take disciplinary action against the persons responsible for non-recovery of the Government dues.

The Department was also directed to submit Working Paper in respect of each PDP as indicated in the Audit Report. **The item relating to PDP 4465 was settled as recommended by Audit.**

PARAS CONDITIONALLY SETTLED

Civil Audit

1. Para 3.23: Page 39 – Irregular Expenditure of Rs.832,907/- on Dietary Charges.

23-1-2001: The Department explained that Inspector General of Prisons had been requested to move the Finance Department for regularization of irregular expenditure on dietary charges for under-trial prisoners which was beyond his competency. The Committee settled the para subject to regularization of expenditure by Finance Department.

24-4-2001: The Department explained that as per directive of the Committee I.G. Prisons Punjab had been moved to get the expenditure regularized by the Finance Department. The para was settled subject to regularization of expenditure by Finance Department.

13-8-2001: The Department explained that reference had already been sent to the Inspector General of Prisons, Punjab Lahore to move the matter to the Finance Department for regularization of expenditure and advice of Finance Department was still awaited. The Committee directed that a copy of the reference might be supplied to Audit. **The para was settled subject to regularization of expenditure by Finance Department.**

REVENUE RECEIPTS AUDIT

6.2(a)(i): Page 46 – Due to under-valuation – Rs.6,405,241/-

24-4-2001: The Audit commented that in the following parts of the para, full recovery had been reported by the Department and had yet to be verified by Audit from original record. The Committee directed that the parts, in which balance was “Nil”, should be treated as settled subject to verification by Audit:-

Para No.	PDP No.	Amount	Amount	Balance
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		Pointed out	Paid		
1.	6.2(a)(i)	4326	12,077/-	12,077/-	Nil
2.	6.2(a)(i)	2814	24,731/-	24,731/-	Nil
3.	6.2(a)(i)	2856	23,100/-	23,100/-	Nil

24-4-2001: Audit reported that in the following parts of the para the regularization action taken by the Department was required to be got verified by Audit. The Committee directed that these parts should be **treated as settled subject to verification by Audit.**

	Para No.	PDP No.	Amount
4.	6.2(a)(i)	3071	24,500/-
5.	6.2(a)(i)	3056	44,505/-
	Para No.	PDP No.	Amount
6.	6.2(a)(i)	4487	17,680/-
7.	6.2(a)(i)	2817	133,860/-
8.	6.2(a)(i)	2815	61,200/-
9.	6.2(a)(i)	2970	61,770/-
10.	6.2(a)(i)	4380	628,505/-
11.	6.2(a)(i)	4383	18,920/-
12.	6.2(a)(i)	4441	38,351/-
13.	6.2(a)(i)	4440	102,000/-
14.	6.2(a)(i)	2808	37,710/-
15.	6.2(a)(i)	2436	73,789/-
16.	6.2(a)(i)	4216	161,671/-
17.	6.2(a)(i)	4206	211,100/-

6.2(a)(iii): Page 48-49 – due to under-valuation – Rs. 6,405,241/-

24-4-2001: The Audit reported that in the following part of the para the regularization action taken by the Department was required to be got verified by Audit. The Committee directed that this part should be **treated as settled subject to verification by Audit.**

	Para No.	PDP No.	Amount
18.	6.2(a)(iii)	4381	196,430/-

6.2(a)(iv): Page 49 – due to under-valuation Rs.6,405,241/-

24-4-2001: Audit reported that in the following parts of the para the regularization action taken by the Department was required to be got verified by Audit. The Committee directed that these parts should be **treated as settled subject to verification by Audit.**

	Para No.	PDP No.	Amount
19.	6.2(a)(iv)	3094	36,429/-
20.	6.2(a)(iv)	4184	49,641/-
21.	6.2(a)(iv)	2972	16,800/-
22.	6.2(a)(iv)	2973	16,800/-

6.2(c)(ii): Pages 52-53 – due to application of incorrect rate Rs.1,847,205/-

24-4-2001: Audit reported that in the following parts of the para the regularization action taken by the Department was required to be got verified by Audit. The Committee directed that these parts should be **treated as settled subject to verification by Audit.**

23.	6.2(c)(ii)	4266	35,995/-
24.	6.2(c)(ii)	4209	56,544/-
25.	6.2(c)(ii)	4213	15,175/-
26.	6.2(c)(ii)	4592	18,022/-
27.	6.2(c)(ii)	4294	252,984/-

6.2(c)(iii): Page 53-54 – due to application of incorrect rate Rs.1,847,205/-

24-4-2001: Audit commented that in the following parts of the para, full or partial recovery had been reported by the Department and had yet to be verified by Audit from original record. The Committee directed that the parts, in which balance was “Nil”, **should be treated as settled subject to verification by Audit:-**

	Para No.	PDP No. Pointed out	Amount Paid	Amount	Balance
28.	6.2(c)(iii)	2834	17,155/-	17,155/-	Nil
29.	6.2(c)(iii)	4515	28,610/-	28,610/-	Nil
30.	6.2(c)(iii)	4430	20,000/-	20,000/-	Nil

Audit reported that in the following parts of the para the regularization action taken by the Department was required to be got verified by Audit. The Committee directed that these parts should be **treated as settled subject to verification by Audit.**

	Para No.	PDP No.	Amount
31.	6.2(c)(iii)	4211	31,500/-
32.	6.2(c)(iii)	4451	55,150/-

6.2(c)(vi): Page 56 – due to application of incorrect rate Rs.1,847,205/-

24-4-2001: Audit reported that the following part of the para the regularization action taken by the Department was required to be got verified by Audit. The Committee directed that this part should be **treated as settled subject to verification by Audit.**

	Para No.	PDP No.	Amount
33.	6.2(c)(vi)	3063	100,300/-

6.2(c)(viii): Page 57 – due to application of incorrect rate Rs.1,847,205/-

24-4-2001: Audit commented that in the following part of the para, full or partial recovery had been reported by the Department and had yet to be verified by Audit from original record. The Committee directed that the part, in which balance was “Nil”, **should be treated as settled subject to verification by Audit:-**

Para No.	PDP No. Pointed out	Amount Paid	Amount	Balance
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34. 6.2(c)(viii) 4593 41,740/- 41,740/- Nil

6.2(c)(ix): Page 58 – due to application of incorrect rate Rs.1,847,205/-

24-4-2001: Audit reported that in the following part of the para the regularization action taken by the Department was required to be got verified by Audit. The Committee directed that this part should be **treated as settled subject to verification by Audit.**

	Para No.	PDP No.	Amount
35.	6.2(c)(ix)	2884	31,500/-

6.2(e): Pages 60-61; due to mis-calculation - Rs.131,670/-

(36) DP No. 2961, Sub-Registrar, Mianwali - Rs.19,864/-.

24-4-2001: Audit commented that in the following part of the para, full recovery had been reported by the Department and had yet to be verified by Audit from original record. The Committee directed that this part **should be treated as settled subject to verification by Audit.**

(37) DP No. 4214, Sub-Registrar, City Lahore-Rs.13,906/-.

24-4-2001: Audit reported that in this part of the para the regularization action taken by the Department was required to be got verified by Audit. The Committee directed that this part **should be treated as settled subject to verification by Audit.**

PARAS PENDED

CIVIL AUDIT

1. Para 3.1: Page 27 – Loss of Rs.125,000/- to Government Due to Irregular Auction of Canteen, Cycle Stand etc.

23-1-2001: Audit had pointed out that the contract of Canteen, Cycle Stand, etc., in a Kutchery Compound had been granted at lesser auction money than the previous year's rates, although the existing contractor had given in writing that he was willing to pay 10% more. The Department explained that the contract had been awarded through open auction and the highest bid was less than the previous year's rates.

The Committee directed the Department to produce the relevant record to Audit for scrutiny and verification to ascertain whether auction had been made after completion of all the proper procedures and no *mala-fide* intention was involved. The verification should be done within one month. The para was kept pending.

24-4-2001: In pursuance of the directive of the Committee dated 22-24 January 2001, the Department had produced the relevant record to Audit. Audit commented that the Departmental contention was not proved correct on verification of record.

The Committee directed the Department to hold an inquiry through senior officer of Board of Revenue into the irregularities pointed out by Audit, fix responsibility and take action against the officers at fault as warranted by the law or rules. The para was kept pending.

13-8-2001: The Department explained that as per directions of the Committee dated April 24, 2001 an inquiry had been held and the inquiry report was being considered by the Department.

The Committee directed that the Department should review the inquiry report in the light of Audit comments and, if necessary, fresh inquiry should be held, and further action taken accordingly. **The para was kept pending.**

2. Para 3.2: Page 27 – Loss of Rs.157,864/- to Government due to Non-recovery of Auction Money

23-1-2001: The Department explained that different amounts were recoverable from a number of contractors. Only an amount of Rs.4,264/- had been recovered. One of the defaulting contractors against whom major amount was due had obtained an ex-parte decree against the Government from the Civil Court.

The Committee directed that a detailed inquiry should be held to—

- (i) determine the responsibility for not realizing the lease money from the contractors during the currency of the contract, and for not taking timely action against the defaulting contractors; and
- (ii) determine the responsibility for not defending the Civil Suit against the Government and letting the contractor to obtain the ex-parte decree against the Government.

The Committee further directed that on the basis of the findings of the inquiry, disciplinary action be taken against all officers/officials, at all levels, found responsible for the above lapses. In the meantime action be taken to file and pursue appeal against the ex-parte decree. Moreover recovery should be expedited in cases when there is no litigation. The para was kept pending.

24-4-2001: The Department explained that in compliance with directive of the Committee an inquiry had been held and responsibility for negligence in recovery of Government dues and not pursuing the court case properly would be fixed and disciplinary action would be taken accordingly. Appeal had also been filed in the case of ex-parte decree against the Department. The recovery was also being pursued. The Department was directed to get the action/recovery finalized expeditiously. The para was kept pending.

13-8-2001: The Department explained that in compliance with the directive of PAC an inquiry was held for fixing the responsibility against the officer who showed negligence in the recovery of government dues and not pursuing the court case properly leading to ex-parte decree against the Department. The Department further explained that the inquiry report had been completed and further action would be taken by the Department in the light of inquiry report.

The Department further explained that out of Rs.21,600/- recoverable from Mr Munawar Hussain, Rs.5,000/- had been recovered, and the balance recovery of Rs.16,600/- was being pursued as arrears of land revenue.

The Department also stated that in the appeal filed by the Department against ex-parte decision, in the recovery case of Rs.120,500/- the next date of hearing was September 4, 2001.

The Committee directed that the Department should pursue the recovery and court case and finalize action against those found responsible for not making the recovery at proper time and

not pursuing the court case properly leading to ex-parte decision against the Department. **The para was kept pending.**

3. Para 3.3: Page 28 – Loss of Rs.65,410/- due to Theft from Malkhana

23-1-2001: The Department disclosed during discussion that FIR was lodged for theft of Rs.432,000/-. Police had filed the case being untraceable. In the Departmental Inquiry against incharge Mal-Khana, the Inquiry Officer had recommended exoneration of the accused. However, the competent authority had ordered another inquiry de-novo.

The Committee directed that the Departmental inquiry should cover the whole amount of theft of Rs.432,000/- mentioned in the FIR and not only amount of Rs.65,410/- relating to the pay of the officials. The para was kept pending.

24-4-2001: The Department explained that as per previous direction of the committee, the Departmental proceedings against the accused officials were in progress.

The Committee directed that the disciplinary proceedings should be finalized expeditiously; and comments of Audit should also be obtained on the record of proceedings. The para was kept pending.

13-8-2001: The Department explained that in the proceedings under the Punjab Civil Servants (Efficiency and Discipline) Rules, 1975, the penalty of recovery of loss of Rs.65,410/- due to theft from Malkhana had been imposed on the officials concerned. The accused officials had gone into appeal, which was under process. **The para was kept pending.**

4-6 Paras 3.4(1, 2 & 3): Page 28 – Loss of Rs. 92,711/- due to Excess Expenditure on Residential Telephone

23-1-2001: The above-mentioned Paras related to the incurrence of excess expenditure on the residential telephones of Deputy Commissioners and Assistant Commissioners, beyond their prescribed ceiling of calls. The Department contended that the use of residential telephones by the Deputy Commissioners and Assistant Commissioners, beyond ceiling, was unavoidable in the discharge of their multifarious duties. The representative of the Finance Department was of the view that if the Departmental contention was correct, then the same situation should have prevailed in all the districts, but that was not the position.

The Committee observed that the matter of enhancement of the prescribed ceiling for residential telephone calls, or regularisation of excess expenditure on this account, was to be decided by the concerned Government Departments. The Audit and Public Accounts Committee have to watch the expenditure keeping in view the existing prescribed ceiling.

The Committee directed the Administrative Department to make recoveries from the concerned officers within 3 months and directed the Finance Department to watch and monitor such recoveries. The Committee further directed that the responsibility for authorising payment beyond ceiling, for passing the bills in pre-audit by District Accounts Officers and for not pursuing the recovery in each case over a long period of time may be fixed and disciplinary action under Efficiency and Discipline Rules be taken. The para was kept pending.

24-4-2001: The above mentioned paras relating to the incurrence of excess expenditure on the residential telephones beyond their prescribed ceiling of calls by DCs and ACs, were kept

pending for recovery or regularization.

13-8-2001: The Department explained that in compliance with the PAC directive dated April 24, 2001, the matter of recovery of excess telephone charges from the officers concerned was being pursued through SGA & ID, as well as directly. **The para was kept pending.**

7. Para 3.6: Page 29 – Loss of Rs. 361,299/- due to misuse of Residential Telephone

23-1-2001: The above-mentioned Para related to the incurrence of excess expenditure on the residential telephones of Deputy Commissioners and Assistant Commissioners, beyond their prescribed ceiling of calls. The Department contended that the use of residential telephones by the Deputy Commissioners and Assistant Commissioners, beyond ceiling, was unavoidable in the discharge of their multifarious duties. The representative of the Finance Department was of the view that if the Departmental contention was correct, then the same situation should have prevailed in all the districts, but that was not the position.

The Committee observed that the matter of enhancement of the prescribed ceiling for residential telephone calls, or regularisation of excess expenditure on this account, was to be decided by the concerned Government Departments. Audit and Public Accounts Committee have to watch the expenditure keeping in view the existing prescribed ceiling.

The Committee directed the Administrative Department to make recoveries from the concerned officers within 3 months and directed the Finance Department to watch and monitor such recoveries. The Committee further directed that the responsibility for authorising payment beyond ceiling, for passing the bills in pre-audit by District Accounts Officers and for not pursuing the recovery in each case over a long period of time may be fixed and disciplinary action under Efficiency and Discipline Rules be taken. The para was kept pending.

24-4-2001: The above mentioned para relating to the incurrence of excess expenditure on the residential telephones beyond their prescribed ceiling of calls by DCs and ACs, was kept pending for recovery or regularization.

13-8-2001: The Department explained that in compliance with the PAC directive dated April 24, 2001, the matter of recovery of excess telephone charges from the officers concerned was being pursued through SGA & ID, as well as directly. **The para was kept pending.**

8. Para 3.7: Page 30 – Loss of Rs. 178,903/- on account of Excess Expenditure on Residential Telephone

23-1-2001: The above-mentioned Para related to the incurrence of excess expenditure on the residential telephones of Deputy Commissioners and Assistant Commissioners, beyond their prescribed ceiling of calls. The Department contended that the use of residential telephones by the Deputy Commissioners and Assistant Commissioners, beyond ceiling, was unavoidable in the discharge of their multifarious duties. The representative of the Finance Department was of the view that if the Departmental contention was correct, then the same situation should have prevailed in all the districts, but that was not the position.

The Committee observed that the matter of enhancement of the prescribed ceiling for residential telephone calls, or regularisation of excess expenditure on this account, was to be decided by the concerned Government Departments. The Audit and Public Accounts Committee

have to watch the expenditure keeping in view the existing prescribed ceiling.

The Committee directed the Administrative Department to make recoveries from the concerned officers within 3 months and directed the Finance Department to watch and monitor such recoveries. The Committee further directed that the responsibility for authorising payment beyond ceiling, for passing the bills in pre-audit by District Accounts Officers and for not pursuing the recovery in each case over a long period of time may be fixed and disciplinary action under Efficiency and Discipline Rules be taken. The para was kept pending.

24-4-2001: The above mentioned para relating to the incurrence of excess expenditure on the residential telephones beyond their prescribed ceiling of calls by DCs and ACs, were kept pending for recovery or regularization.

13-8-2001: The Department explained that in compliance with the PAC directive dated April 24, 2001, the matter of recovery of excess telephone charges from the officers concerned was being pursued through SGA & ID, as well as directly. **The para was kept pending.**

9. Para 3.8: Page 30 – Loss of Rs.86,000/- on account of Cycle Stand

23-1-2001: Audit had pointed out that the cycle stand was leased out to a contractor for Rs.190,000/- for 1995-96. The contractor paid Rs. 63,000/- and left the contract on November 28, 1995. The succeeding contractor paid Rs. 41,000/- @ Rs. 500/- per working day only until June 1996. The action of the original contractor resulted in a loss of Rs. 86,000/- to Government.

The Department explained that the recovery of the Government dues as arrears of land revenue had been ordered.

The Committee directed that an inquiry be held to fix the responsibility and disciplinary action be taken against the official responsible for not realizing the money at the proper time and for delay in making recovery over a long period. The recovery and disciplinary action be completed within 3 months. The para was kept pending.

24-4-2001: The Department explained that action in the matter as per previous directives of the Committee was in progress.

The Committee directed that level of inquiry should be raised from EAC to DC and all actions warranted under law or rules be completed within one month. The para was kept pending.

13-8-2001: The Department explained that the matter of recovery of government dues from the contractor was sub-judice and the next date of hearing was September 12, 2001. The Department further informed that the Departmental inquiry for not realizing the government dues at proper time was also in progress. **The para was kept pending.**

10. Para 3.9: Page 31 – Loss of Rs. 62,281/- on account of misuse of Residential Telephone

23-1-2001: The above-mentioned para related to the incurrence of excess expenditure on the residential telephones of Deputy Commissioners and Assistant Commissioners, beyond their prescribed ceiling of calls. The Department contended that the use of residential telephones by the Deputy Commissioners and Assistant Commissioners, beyond ceiling, was unavoidable in the discharge of their multifarious duties. The representative of the Finance Department was of the view that if the Departmental contention was correct, then the same situation should have prevailed in all the districts, but that was not the position.

The Committee observed that the matter of enhancement of the prescribed ceiling for

residential telephone calls, or regularisation of excess expenditure on this account, was to be decided by the concerned Government Departments. Audit and Public Accounts Committee have to watch the expenditure keeping in view the existing prescribed ceiling.

The Committee directed the Administrative Department to make recoveries from the concerned officers within 3 months and directed the Finance Department to watch and monitor such recoveries. The Committee further directed that the responsibility for authorising payment beyond ceiling for passing the bills in pre-audit by District Accounts Officers and for not pursuing the recovery in each case over a long period of time may be fixed and disciplinary action under Efficiency and Discipline Rules be taken. The para was kept pending.

24-4-2001: The above mentioned para relating to the incurrence of excess expenditure on the residential telephones beyond their prescribed ceiling of calls by DCs and ACs, was kept pending for recovery or regularization.

13-8-2001: The Department explained that in compliance with the PAC directive dated April 24, 2001, the matter of recovery of excess telephone charges from the officers concerned was being pursued through SGA & ID, as well as directly. **The para was kept pending.**

11. Para 3.10: Page 31 – Recovery of Rs. 156,279/- on account of Excess Expenditure on Residential Telephone

23-1-2001: The above-mentioned para related to the incurrence of excess expenditure on the residential telephones of Deputy Commissioners and Assistant Commissioners, beyond their prescribed ceiling of calls. The Department contended that the use of residential telephones by the Deputy Commissioners and Assistant Commissioners, beyond ceiling, was unavoidable in the discharge of their multifarious duties. The representative of the Finance Department was of the view that if the Departmental contention was correct, then the same situation should have prevailed in all the districts, but that was not the position.

The Committee observed that the matter of enhancement of the prescribed ceiling for residential telephone calls, or regularisation of excess expenditure on this account, was to be decided by the concerned Government Departments. Audit and Public Accounts Committee have to watch the expenditure keeping in view the existing prescribed ceiling.

The Committee directed the Administrative Department to make recoveries from the concerned officers within 3 months and directed the Finance Department to watch and monitor such recoveries. The Committee further directed that the responsibility for authorising payment beyond ceiling for passing the bills in pre-audit by District Accounts Officers and for not pursuing the recovery in each case over a long period of time may be fixed and disciplinary action under Efficiency and Discipline Rules be taken. The para was kept pending.

24-4-2001: The above mentioned para relating to the incurrence of excess expenditure on the residential telephones beyond their prescribed ceiling of calls by DCs and ACs, were kept pending for recovery or regularization.

13-8-2001: The Department explained that in compliance with the PAC directive dated April 24, 2001, the matter of recovery of excess telephone charges from the officers concerned was being pursued through SGA & ID, as well as directly. **The para was kept pending.**

12. Para 3.11: Page 32 – Recovery of Rs.154,242/- from the Lessees of Kutchery Compound

23-1-2001: Audit had pointed out that the shops/Canteen/Chambers located in Kutchery Compound were leased on annual rent to contractor and lawyers during 1994-95 and 1995-96. But the lease money had not yet been recovered from the concerned persons.

The Department explained that an amount of Rs. 120,115/- had been recovered from the defaulters and the balance recovery was under process.

The Committee directed that the Department should check the recovery record, work out the balance recovery and effect recovery within three months. The para was kept pending.

24-4-2001: Audit commented that the Department had mis-stated in the meeting held on January 23, 2001 that recovery of Rs.120,115/- had been made and the recovery of the remaining amount was in progress, whereas recovery of only Rs.77,000/- could be verified from record. The Committee directed the Department to pursue the recovery and take action against the persons who were responsible for providing incorrect information to the Committee in the previous meeting. The para was kept pending.

13-8-2001: The Department explained that the amount of recovery stated in the last meeting was due to mis-calculation and actually an amount of Rs.88,875/- had been recovered and the remaining recoverable amount would be recovered as soon as possible.

The Committee directed that the Department should get the recovery verified, pursue the balance recovery and issue warning to the persons who provided incorrect information to the Committee. **The para was kept pending.**

13. Para 3.12: Page 32 – Recovery of Rs.283,695/- on account of Excess Calls made from Residential Telephone

23-1-2001: The above-mentioned para related to the incurrance of excess expenditure on the residential telephones of Deputy Commissioners and Assistant Commissioners, beyond their prescribed ceiling of calls. The Department contended that the use of residential telephones by the Deputy Commissioners and Assistant Commissioners, beyond ceiling, was unavoidable in the discharge of their multifarious duties. The representative of the Finance Department was of the view that if the Departmental contention was correct, then the same situation should have prevailed in all the districts, but that was not the position.

The Committee observed that the matter of enhancement of the prescribed ceiling for residential telephone calls, or regularisation of excess expenditure on this account, was to be decided by the concerned Government Departments. Audit and Public Accounts Committee have to watch the expenditure keeping in view the existing prescribed ceiling.

The Committee directed the Administrative Department to make recoveries from the concerned officers within 3 months and directed the Finance Department to watch and monitor such recoveries. The Committee further directed that the responsibility for authorising payment beyond ceiling, for passing the bills in pre-audit by District Accounts Officers and for not pursuing the recovery in each case over a long period of time may be fixed and disciplinary action under Efficiency and Discipline Rules be taken. The para was kept pending.

24-4-2001: The above mentioned para relating to the incurrance of excess expenditure on the residential telephones beyond their prescribed ceiling of calls by DCs and ACs, was kept pending for recovery or regularization.

13-8-2001: The Department explained that in compliance with the PAC directive dated April 24, 2001, the matter of recovery of excess telephone charges from the officers concerned was being pursued through SGA & ID, as well as directly. **The para was kept pending.**

14. Para 3.13: Page 33 – Recovery of Rs.79,122/- on account of Irregular Payment of Telephone Charges

23-1-2001: The above-mentioned para related to the incurrance of excess expenditure on the residential telephones of Deputy Commissioners and Assistant Commissioners, beyond their prescribed ceiling of calls. The Department contended that the use of residential telephones by the Deputy Commissioners and Assistant Commissioners, beyond ceiling, was unavoidable in the discharge of their multifarious duties. The representative of the Finance Department was of the view that if the Departmental contention was correct, then the same situation should have prevailed in all the districts, but that was not the position.

The Committee observed that the matter of enhancement of the prescribed ceiling for residential telephone calls, or regularisation of excess expenditure on this account, was to be decided by the concerned Government Departments. Audit and Public Accounts Committee have to watch the expenditure keeping in view the existing prescribed ceiling.

The Committee directed the Administrative Department to make recoveries from the concerned officers within 3 months and directed the Finance Department to watch and monitor such recoveries. The Committee further directed that the responsibility for authorising payment beyond ceiling, for passing the bills in pre-audit by District Accounts Officers and for not pursuing the recovery in each case over a long period of time may be fixed and disciplinary action under Efficiency and Discipline Rules be taken. The para was kept pending.

24-4-2001: The above mentioned para relating to the incurrance of excess expenditure on the residential telephones beyond their prescribed ceiling of calls by DCs and ACs, were kept pending for recovery or regularization.

13-08-2001: The Department explained that in compliance with the PAC directive dated April 24, 2001, the matter of recovery of excess telephone charges from the officers concerned was being pursued through SGA & ID, as well as directly. **The para was kept pending.**

15. Para 3.14: Page 33 – Recovery of Rs.90,266/- Due to Excess Expenditure on Residential Telephone

23-1-2001: The above-mentioned para related to the incurrance of excess expenditure on the residential telephones of Deputy Commissioners and Assistant Commissioners, beyond their prescribed ceiling of calls. The Department contended that the use of residential telephones by the Deputy Commissioners and Assistant Commissioners, beyond ceiling, was unavoidable in the discharge of their multifarious duties. The representative of the Finance Department was of the view that if the Departmental contention was correct, then the same situation should have prevailed in all the districts, but that was not the position.

The Committee observed that the matter of enhancement of the prescribed ceiling for residential telephone calls, or regularisation of excess expenditure on this account, was to be decided by the concerned Government Departments. Audit and Public Accounts Committee have

to watch the expenditure keeping in view the existing prescribed ceiling.

The Committee directed the Administrative Department to make recoveries from the concerned officers within 3 months and directed the Finance Department to watch and monitor such recoveries. The Committee further directed that the responsibility for authorising payment beyond ceiling, for passing the bills in pre-audit by District Accounts Officers and for not pursuing the recovery in each case over a long period of time may be fixed and disciplinary action under Efficiency and Discipline Rules be taken. The para was kept pending.

24-4-2001: The above mentioned para relating to the incurrence of excess expenditure on the residential telephones beyond their prescribed ceiling of calls by DCs and ACs, were kept pending for recovery or regularization.

13-8-2001: The Department explained that in compliance with the PAC directive dated April 24, 2001, the matter of recovery of excess telephone charges from the officers concerned was being pursued through SGA & ID, as well as directly. **The para was kept pending.**

16. Para 3.15: Page 34 – Recovery of Rs. 168,711/- due to Excess Telephone Calls

23-1-2001: The above-mentioned para related to the incurrence of excess expenditure on the residential telephones of Deputy Commissioners and Assistant Commissioners, beyond their prescribed ceiling of calls. The Department contended that the use of residential telephones by the Deputy Commissioners and Assistant Commissioners, beyond ceiling, was unavoidable in the discharge of their multifarious duties. The representative of the Finance Department was of the view that if the Departmental contention was correct, then the same situation should have prevailed in all the districts, but that was not the position.

The Committee observed that the matter of enhancement of the prescribed ceiling for residential telephone calls, or regularisation of excess expenditure on this account, was to be decided by the concerned Government Departments. Audit and Public Accounts Committee have to watch the expenditure keeping in view the existing prescribed ceiling.

The Committee directed the Administrative Department to make recoveries from the concerned officers within 3 months and directed the Finance Department to watch and monitor such recoveries. The Committee further directed that the responsibility for authorising payment beyond ceiling, for passing the bills in pre-audit by District Accounts Officers and for not pursuing the recovery in each case over a long period of time may be fixed and disciplinary action under Efficiency and Discipline Rules be taken. The para was kept pending.

24-4-2001: The above mentioned para relating to the incurrence of excess expenditure on the residential telephones beyond their prescribed ceiling of calls by DCs and ACs, was kept pending for recovery or regularization.

13-8-2001: The Department explained that in compliance with the PAC directive dated April 24, 2001, the matter of recovery of excess telephone charges from the officers concerned was being pursued through SGA & ID, as well as directly. **The para was kept pending.**

17. Para 3.16: Page 35 – Recovery of Rs. 54,939/- due to Excess Calls on Residential Telephone

23-1-2001: The above-mentioned para related to the incurrence of excess expenditure on the residential telephones of Deputy Commissioners and Assistant Commissioners, beyond their

prescribed ceiling of calls. The Department contended that the use of residential telephones by the Deputy Commissioners and Assistant Commissioners, beyond ceiling, was unavoidable in the discharge of their multifarious duties. The representative of the Finance Department was of the view that if the Departmental contention was correct, then the same situation should have prevailed in all the districts, but that was not the position.

The Committee observed that the matter of enhancement of the prescribed ceiling for residential telephone calls, or regularisation of excess expenditure on this account, was to be decided by the concerned Government Departments. Audit and Public Accounts Committee have to watch the expenditure keeping in view the existing prescribed ceiling.

The Committee directed the Administrative Department to make recoveries from the concerned officers within 3 months and directed the Finance Department to watch and monitor such recoveries. The Committee further directed that the responsibility for authorising payment beyond ceiling, for passing the bills in pre-audit by District Accounts Officers and for not pursuing the recovery in each case over a long period of time may be fixed and disciplinary action under Efficiency and Discipline Rules be taken. The para was kept pending.

24-4-2001: The above mentioned para relating to the incurrence of excess expenditure on the residential telephones beyond their prescribed ceiling of calls by DCs and ACs, was kept pending for recovery or regularization.

13-8-2001: The Department explained that in compliance with the PAC directive dated April 24, 2001, the matter of recovery of excess telephone charges from the officers concerned was being pursued through SGA & ID, as well as directly. **The para was kept pending.**

18. Para 3.17: Page 35 – Recovery of Rs. 163,039/- due to Excess Expenditure on Residential Telephone

23-1-2001: The above-mentioned para related to the incurrence of excess expenditure on the residential telephones of Deputy Commissioners and Assistant Commissioners, beyond their prescribed ceiling of calls. The Department contended that the use of residential telephones by the Deputy Commissioners and Assistant Commissioners, beyond ceiling, was unavoidable in the discharge of their multifarious duties. The representative of the Finance Department was of the view that if the Departmental contention was correct, then the same situation should have prevailed in all the districts, but that was not the position.

The Committee observed that the matter of enhancement of the prescribed ceiling for residential telephone calls, or regularisation of excess expenditure on this account, was to be decided by the concerned Government Departments. Audit and Public Accounts Committee have to watch the expenditure keeping in view the existing prescribed ceiling.

The Committee directed the Administrative Department to make recoveries from the concerned officers within 3 months and directed the Finance Department to watch and monitor such recoveries. The Committee further directed that the responsibility for authorising payment beyond ceiling, for passing the bills in pre-audit by District Accounts Officers and for not pursuing the recovery in each case over a long period of time may be fixed and disciplinary action under Efficiency and Discipline Rules be taken. The para was kept pending.

24-4-2001: The above mentioned para relating to the incurrence of excess expenditure on

the residential telephones beyond their prescribed ceiling of calls by DCs and ACs, was kept pending for recovery or regularization.

13-8-2001: The Department explained that in compliance with the PAC directive dated April 24, 2001, the matter of recovery of excess telephone charges from the officers concerned was being pursued through SGA & ID, as well as directly. **The para was kept pending.**

19. Para 3.18: Page 36 – Recovery of Rs.106,283/- on account of Katchery Compound Lease

23-1-2001: The Department explained that efforts were being made, through the President Bar Association, Bhalwal for recovery of the outstanding amount of lease money of Chambers leased out to the advocates/lawyers.

The Committee directed the Department to pursue the recovery. The Committee re-iterated the recommendations made by the sub-Committees of the previous Public Accounts Committee in its meeting held on September 14, 1998, that the Department should approach the appropriate forum for making amendment in the Punjab Bar Council and Legal Practitioner Act in the manner that all advocates shall pay their dues before casting of votes at the time of Bar Council Elections. The para was kept pending for recovery.

24-4-2001: The above para related to recovery of lease money of kutchery compounds. The Committee directed that action on its directives dated January 23, 2001, regarding recovery of the Government dues and other matters, should be completed expeditiously. The para was kept pending.

13-8-2001: The Department explained that in connection with the recovery of rent of Lawyers' Chambers, the matter was referred to the Law Department for making amendment in the Punjab Bar Council and Legal Practitioners Act. The Law Department supported the proposal of BOR, Punjab. However, the necessary legislation/amendment could be made by the Federal Government Ministry of Justice Islamabad and the Law Department had suggested that the Board might send the proposal to the Federal Ministry after obtaining the approval of the Governor of Punjab through a proper summary in this regard. The Committee was informed that the case was being taken up with Federal Government through Governor of the Punjab.

The Committee re-iterated its previous decision that all out efforts should be made for recovery of the Government dues. **The para was kept pending.**

20. Para 3.19: Page 36 – Recovery of Rs.46,800/- on account of Lease of Lawyers Chambers/Katchery Compound

23-1-2001: The Department explained that efforts were being made, through the President Bar Association, Bhalwal for recovery of the outstanding amount of lease money of Chambers leased out to the advocates/lawyers.

The Committee directed the Department to pursue the recovery. The Committee re-iterated the recommendations made by the sub-Committees of the previous Public Accounts Committee in its meeting held on September 14, 1998, that the Department should approach the appropriate forum for making amendment in the Punjab Bar Council and Legal Practitioners Act in the manner that all advocates shall pay their dues before casting of votes at the time of Bar Council Elections. The para was kept pending for recovery.

24-4-2001: The above mentioned para related to recovery of lease money of kutchery compounds. The Committee directed that action on its directives dated 23.1.2001, regarding recovery of the Government dues and other matters, should be completed expeditiously. The para was kept pending.

13-8-2001: The Department explained that in compliance with the PAC directive of April 24, 2001, the recovery of telephone charges from the officers concerned was being pursued, through S&GAD and also directly. **The para was kept pending.**

21. Para 3.24: Page 40 – Doubtful Expenditure of Rs.408,681/- on Purchase of P.O.L.

24-1-2001: Audit had reported that an expenditure of Rs.408,681/- was incurred on purchase of POL during 1995-96, and the same was not found entered in log books of the vehicles. The Department explained that the log books would be retrieved and produced to Audit. The Committee directed the Department to produce the log books to Audit within two months. The para was kept pending.

24-4-2001: The Department explained that POL amounting to Rs.61,300/- was consumed on the private vehicles arranged for army during Muharam. As regards the remaining amount of Rs.347,381/- it was consumed by the civil officers and log book of the same would be produced to Audit.

The Committee directed the Department to produce log books to Audit at the earliest for verification. The para was kept pending.

13-8-2001: The Department explained that 10 log books out of 13 had been recovered from the officers concerned and efforts were being made to recover the remaining 3 log books.

The Committee directed that Audit should provide full vehicle-wise details and objections to Administrative Department so that the officers concerned could be identified and the matter could be taken up with the SGA & ID who would require the concerned officers who used the vehicles, to explain the position. **The para was kept pending.**

22. Para 3.25: Page 40 – Recovery of Rs.112,000/- on account of Lease of Lawyers Chambers/Compound

23-1-2001: The Department explained that efforts were being made, through the President Bar Association, Bhalwal for recovery of the outstanding amount of lease money of Chambers leased out to the advocates/lawyers.

The Committee directed the Department to pursue the recovery. The Committee re-iterated the recommendations made by the sub-Committees of the previous Public Accounts Committee in its meeting held on September 14, 1998, that the Department should approach the appropriate forum for making amendment in the Punjab Bar Council and Legal Practitioners Act in the manner that all advocates shall pay their dues before casting of votes at the time of Bar Council Elections. The para was kept pending for recovery.

24-4-2001: The recovery of lease money of kutchery compounds. The Committee directed that action on its directives dated 23.1.2001, regarding recovery of the Government dues and other matters, should be completed expeditiously. The para was kept pending.

13-8-2001: The Department explained that in connection with the recovery of rent of

Lawyers' Chambers, the matter was referred to the Law Department for making amendment in the Punjab Bar Council and Legal Practitioners Act. The Law Department supported the proposal of BOR, Punjab. However, necessary legislation/amendment could be made by the Federal Government Ministry of Justice Islamabad and the Law Department had suggested that the Board might send the proposal to the Federal Ministry after obtaining the approval of the Governor of Punjab through a proper summary in this regard. The case was being taken up with Federal Government through Governor of the Punjab.

The Committee re-iterated its previous decision that all out efforts should be made for recovery of the Government dues. **The para was kept pending.**

23. Para 3.27: Page 41 – Doubtful Consumption of POL Amounting to Rs.214,336/-.

24-01-2001: Audit had reported that there appeared to be a doubtful consumption of POL amounting to Rs.214,336/- as the Department failed to produce the log books to Audit.

The Committee directed the Department to produce log books and POL register to Audit within two months for verification. The para was kept pending.

24-4-2001: The Department explained that the relevant log books were available and would be produced to Audit for verification.

The Committee directed that irregularities pointed out by Audit may be probed at the Secretariat level, and action taken in the matter as warranted by law or rules. The para was kept pending.

13-8-2001: The Department explained that in the Departmental inquiry the amount of recovery had been determined as Rs.17,060/- and the Administrative Department had accepted the findings of the inquiry report.

The Committee directed that the recovery and other necessary action on the findings of the inquiry report should be completed expeditiously. **The para was kept pending.**

24. Para 3.28: Page 42 – Irregular and Un-justified Advance Drawal of Rs.87,910/- from Government Account

23-1-2001: The Department explained that vouched accounts were available and would be produced to Audit for verification. The Audit pointed out that the amount was drawn in advance from Government account without any sanction of the Government simply to avoid lapse of funds.

The Committee directed the Department to produce vouched accounts to Audit for verification as early as possible. The para was kept pending.

24-4-2001: The Department explained that as per directive of the Committee dated January 23, 2001, vouched accounts of advance drawal of Rs.87,910/- from government accounts had been produced to Audit.

After verification of record Audit pointed out that the advance drawal of the amount and its remittance to the AC Sahiwal and Chichawatni for the repair of Patwarkhanas was irregular as the Revenue Department was not competent to execute the building work itself.

The Committee observed that prima facie Drawing and Disbursing Officer as well as the District Accounts Officer were responsible for irregularities, and directed the Department to hold an inquiry into the irregularity pointed out by Audit, fix responsibility and take action against the officer at fault as warranted by law or rules. The Committee further directed that the competent

authority in respect of DAO should also take similar action. The Department should also get the expenditure regularized by the Finance Department. The para was kept pending.

13-8-2001: The Department explained that in compliance with the direction of the ad hoc PAC meeting dated April 24, 2001 an inquiry was held and inquiry report had been received recently. The Department stated that it was an interim report which dealt with the repairs of the Patwar Khana and not with the irregularities pointed out by Audit. The Department further stated that the Special Departmental Accounts Committee had settled this para in 1998.

Audit reported that as per directive of the Committee the case for taking action against the concerned District Accounts Officer had been referred to the Accountant General Punjab on August 6, 2001.

The Committee observed that the Department had shown no progress in implementing its direction dated April 24, 2001. The Committee directed that the Department should hold a broad-based inquiry into all aspects of the case, including irregular drawing of money, keeping it in illegal custody, and incurring irregular expenditure, etc. The expenditure should also be got regularized by the Finance Department. **The para was kept pending.**

REVENUE RECEIPTS AUDIT

6.1(a): Page 43 – due to grant of gift in favour of persons other than legal heirs Rs.827,655/-

(1) DP No. 4364, Sub-Registrar, Kasur – Rs. 337,935/-

24-4-2001: The Audit had reported that in this part of the para, the Department had accepted the Audit observation, issued notices of recovery and the recovery was awaited. Thus, **the part was kept pending by the Committee for recovery.**

2-10-2001: The Committee observed that Working Paper was incomplete and unsatisfactory and directed that the Department should pursue the recovery of Government dues and take disciplinary action against the persons responsible for non-recovery of the Government dues.

The Department was also directed to submit Working Paper in respect of each PDP as indicated in the Audit Report.

6.1(c): Page 44-45 – due to inadmissible exemption of stamp duty and registration fee- Rs. 94,820/-

24-4-2001: Audit had reported that in the following parts of the para the Department had accepted the Audit observation, issued notices of recovery and the recovery was awaited. Thus, **these parts were kept pending by the Committee for recovery:-**

	Para No	PDP No.	Amount
2.	6.1(c)	4120	35,000/-
3.	6.1(c)	2997	22,400/-
4.	6.1(c)	4144	16,780/-
5.	6.1(c)	2718	20,640/-

6.2(a)(i): Page 46; Due to under-valuation - Rs. 6,405,241/-

24-4-2001: Audit commented that in the following parts of the para, partial recovery had been reported by the Department and had yet to be verified by Audit from original record. The Committee directed that the **parts should be kept pending for recovery** of the balance amount:-

	Para No.	PDP No. Pointed out	Amount Paid	Amount	Balance
6.	6.2(a)(i)	4333	42,207/-	5,842/-	36,365/-
7.	6.2(a)(i)	4327	139,120/-	21,300/-	117,820/-
8.	6.2(a)(i)	3064	39,640/-	11,865/-	27,775/-
9.	6.2(a)(i)	3058	15,955/-	8,210/-	7,745/-
10.	6.2(a)(i)	2879	601,521/-	307,901/-	293,513/-
11.	6.2(a)(i)	4382	87,415/-	1,105/-	86,310/-
12.	6.2(a)(i)	4385	25,170/-	10,490/-	14,680/-
13.	6.2(a)(i)	4565	37,900/-	27,900/-	10,000/-
14.	6.2(a)(i)	4571	148,400/-	95,600/-	52,800/-
15.	6.2(a)(i)	4590	81,770/-	19,697/-	62,073/-
16.	6.2(a)(i)	4564	1,092,885/-	47,129/-	1,045,756/-
17.	6.2(a)(i)	4569	66,158/-	120/-	66,038/-

24-4-2001: Audit reported that in the following parts of the para the Department had accepted the Audit observation and issued notices of recovery which was awaited. **These parts were kept pending:-**

	Para No.	PDP No.	Amount
18.	6.2(a)(i)	2847	224,092/-
19.	6.2(a)(i)	4366	70,296/-
20.	6.2(a)(i)	4370	20,200/-
21.	6.2(a)(i)	4379	30,400/-
22.	6.2(a)(i)	4344	53,876/-

23. **24-4-2001:** Audit reported that in part No.6.2(a)(i) PDP No.4452, relating to amount of Rs.132,723/- the Department had given no reply to Audit. The Committee directed the Department to inquire into the matter, fix responsibility for not submitting reply to Audit and take action against the officers at fault. **The para was kept pending.**

24. **24-4-2001:** Audit reported that in part No.6.2(a)(i), PDP No.2439 relating to amount of Rs.493,291/- the Department had contended that according to the Lahore High Court judgement in writ petition No.6642/93 the "Valuation Table" was required to be notified in the Punjab Gazette, otherwise it would not be applicable. The Department was directed to ascertain the legal position and take action accordingly. **The item was kept pending.**

25. **24-4-2001:** Audit reported that in Part No.6.2(a)(i) PDP No.4261, relating to amount of Rs.493,374/-, the Department had submitted that the record of Sub-Registrar

Sadar's Office had been burnt in fire.

The Department was directed to collect copies of the instruments from the parties concerned and take action accordingly on the Audit observations. **The para was kept pending.**

2-10-2001: The Committee observed that Working Paper was incomplete and unsatisfactory and directed that the Department should pursue the recovery of Government dues and take disciplinary action against the persons responsible for non-recovery of the Government dues.

The Department was also directed to submit Working Paper in respect of each PDP as indicated in the Audit Report.

6.2(a)(ii): Page 48 – due to under-valuation – Rs.6,405,241/-

24-4-2001: Audit reported that in the following parts of the para the Department had accepted the Audit observation and issued notice of recovery which was awaited. **The para was kept pending:-**

	Para No.	PDP No.	Amount
26.	6.2(a)(ii)	4478	317,279/-

5. Para 6.2(b): Page 50-51 – due to misdeclaration of the documents-Rs.2,930,003/-

24-4-2001: Audit reported that in parts No.6.2(b) in the following PDP Nos:-

27 to 42	4365,	4265,	4409,	4341,	4338,
	4449,	4458,	4601,	4488,	4426,
	2232,	2233,	2231,	2261	3062,
	3065				

The Department was of the view that the respective documents were agreements and not sale deeds and hence had been correctly registered. The Committee directed that the Administrative Department and Audit should constitute a Committee to check the individual document. In cases where the opinion of both the Departments agree, action should be taken accordingly. Such cases in which there was difference of opinion between them, should be referred to Law and Parliamentary Affairs Department for opinion and action taken accordingly. **These parts were kept pending.**

2-10-2001: The Committee observed that Working Paper was incomplete and unsatisfactory and directed that the Department should pursue the recovery of Government dues and take disciplinary action against the persons responsible for non-recovery of the Government dues.

The Department was also directed to submit Working Paper in respect of each PDP as indicated in the Audit Report.

6.2(c)(ii): Page 52-53 – due to application of incorrect rate – Rs.1,847,205/-

24-4-2001: Audit reported that in the following parts of the para the Department had accepted the Audit observation and issued notices of recovery which was awaited. **These parts were kept pending:-**

Para No.	PDP No.	Amount
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43.	6.2(c)(ii)	4369	29,198/-
44.	6.2(c)(ii)	4496	37,577/-

6.2(c)(iii): Page 53-54 – due to application of incorrect rate – Rs.1,847,205/-

24-4-2001: Audit commented that in the following part of the para, partial recovery had been reported by the Department and had yet to be verified by Audit from original record. The Committee directed that this part **should be kept pending for recovery** of the balance amount:-

	Para No.	PDP No. Pointed out	Amount Paid	Amount	Balance
45.	6.2(c)(iii)	4343	36,330/-	27,780/-	8,550/-

24-4-2001: Audit reported that in the following parts of the para the Department had accepted Audit observation and issued notices of recovery which was awaited. **These parts were kept pending:-**

	Para No.	PDP No.	Amount
46.	6.2(c)(iii)	2673	15,900/-
47.	6.2(c)(iii)	4600	49,500/-

6.2(c)(iv): Page 54-55 – due to application of incorrect rate – Rs.1,847,205/-

48-49 24-4-2001: Audit reported that in part No.6.2(c)(iv), in PDP Nos. 3054 and 3070

The Department had contested the Audit observations on certain legal grounds. The Committee directed the Department to obtain the opinion of Law Department and take action accordingly. **These paras were kept pending.**

6.2(c)(v): Page 55 – due to application of incorrect rate – Rs.1,847,205/-

24-4-2001: Audit reported that in the following parts of the para the Department had accepted the Audit observation and issued notices of recovery which was awaited. **These parts were kept pending:-**

	Para No.	PDP No.	Amount
50.	6.2(c)(v)	4468	28,870/-
51.	6.2(c)(v)	1314	37,800/-

52. 24-4-2001: Audit reported that in part No.6.2(c) (v), in **PDP No.4474,**
54. 4468 and 4486,

The Department had contested Audit observations on certain legal grounds. The Committee directed the Department to obtain the opinion of Law Department and take action accordingly. **The paras were kept pending.**

6.2(c)(vii): Pages 56-57 – due to application of incorrect rate – Rs.1,847,205/-

24-4-2001: Audit commented that in the following parts of the para, partial recovery had been reported by the Department and had yet to be verified by Audit from

original record. The Committee directed that this part **should be kept pending for recovery** of the balance amount:-

Para No.	PDP No.	Amount Pointed out	Amount Paid	Balance
55.	6.2(c)(vii)	3087	55,721/-	26,325/-
				29,396/-

6.2(c)(x): Page 58 – due to application of incorrect rate – Rs.1,847,205/-

24-4-2001: Audit commented that in the following part of the para, partial recovery had been reported by the Department and had yet to be verified by Audit from original record. The Committee directed that this part **should be kept pending for recovery** of the balance amount:-

Para No.	PDP No.	Amount Pointed out	Amount Paid	Balance
56.	6.2(c)(x)	4475	31,500/-	18,500/-
				13,000/-

6.2(c)(xi): Page 59 – due to application of incorrect rate – Rs.1,847,205/-

24-4-2001: Audit commented that in the following part of the para, partial recovery had been reported by the Department and had yet to be verified by Audit from original record. The Committee directed that this **part should be kept pending for recovery** of the balance amount:-

Para No.	PDP No.	Amount Pointed out	Amount Paid	Balance
57.	6.2(c)(xi)	4092	10,270/-	7,510/-
				2,760/-

2-10-2001: The Committee observed that Working paper was incomplete and unsatisfactory and directed that the Department should pursue the recovery of Government dues and take disciplinary action against the persons responsible for non-recovery of the Government dues.

The Department was also directed to submit Working Paper in respect of each PDP as indicated in the Audit Report.

6.2(d): Page 59-60 – due to misclassification of deeds – Rs.1,010,222/-

24-4-2001: Audit reported that in parts No. 6.2(d) in the following PDP Nos:-

58 to 60	4411,	4368,	4591,	4321,	2255,
	2602,	2232,	2848,	2854	

The Department was of the view that the respective documents were agreements and not sale deeds and hence had been correctly registered. The Committee directed that the Administrative Department and Audit should constitute a Committee to check the individual document. In cases where the opinion of both the Departments agree, action should be taken accordingly. Such cases in which there was difference of opinion between them, should be referred to Law and Parliamentary Affairs Department for opinion and action taken accordingly. **These parts were kept pending.**

2-10-2001: The para was considered in the light of the minutes of the meeting dated April 24, 2001. The Committee re-iterated its earlier decision and directed the Department to finalize the still incomplete action expeditiously. **The para was kept pending.**

6.2 (e): Page 61 – due to miscalculation – Rs.131,670/-

24-4-2001: Audit commented that in the following part of the para, partial recovery had been reported by the Department and had yet to be verified by Audit from original record. The Committee directed that this part **should be kept pending for recovery** of the balance amount:-

	Para No.	PDP No.	Amount Pointed out	Amount Paid	Balance
67.	6.2(e)	4410	72,400/-	23,730/-	48,670/-

Working paper not submitted

- 1. Annexure 'D':**
Para No.2.2, 0270000-Stamp Duty
- 2. Para No. 6.3(a):**
4423, 4434, 4469, 4491, 4021, 4034, 4041, 4387, 3049;
- 3. Para No. 6.3(b):**
2481, 4040, 4019, 4010, 2950;
- 4. Para No. 6.4:**
4415, 4490, 4463, 4470, 2898, 4424, 4537, 4254, 2986, 3045, 4575 (Gujranwala), 4575 (Daska), 4575 (Kamoke);
- 5. Para No. 6.5:**
4126, 4415, 4435, 4454, 4418, 2865;
- 6. Para No. 6.6:**
4425, 4436, 2460, 4471, 3046, 4433, 4129, 2999, 2985, 4388, 4257, 4464, 4308;
- 7. Para No. 6.7:**
2278
- 8. Chapter 9:**
(Subject Study on Stamp Duty and Registration Fee)
- 9. Chapter 10:**

(Delay in Disposal of Inspection Report)

COMMUNICATIONS AND WORKS DEPARTMENT

Overview

Total Paras	Works	Civil	Commercial	Receipts
198	198	--	--	--

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 75	Paras finally settled as the requisite action had been taken.	Works: (Buildings) I-A-1, I-A-2, I-A-3, I-A-4, I-A-5, I-B-4, I-B-5, I-B-6, I-B-7, I-C-3, I-C-6(2 paras), I-D-1, I-E-2, I-F-1, I-G-1, I-H-1, II-A-5, II-B-2, II-B-4, II-C-1, II-C-2, II-C-3, II-C-4, II-D-1, II-E-1, III-A-2(2 paras), III-A-5, III-B-1, III-B-2, III-C-1, III-C-2, III-E-1, IV-B-1, IV-B-2, IV-B-3, IV-C-2, IV-D-1, IV-F-1, IV-G-1, V-A-1, V-B-1, V-C-1, VI-1	45	113-120
		(Highways): I-A-2, I-A-5, I-A-8, I-A-10, I-D-1, I-E-1, II-A-5, II-F-1, III-B-3, III-D-1, III-F-1, III-G-1, III-I-1, III-J-1, IV-A-2(2 paras), IV-A-3, IV-C-1, IV-C-2, IV-D-1, IV-E-1, V-C-1, V-E-1	23	120-123
		Annexure Paras: I-16,I-17, I-20(iii), II(2), II(6), II(23), III-6	7	123
Paras Conditionally Settled 22	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Works: (Buildings) I-A-6, I-A-9, I-D-2, II-A-2, II-F-1, III-B-3, III-D-2	7	124-126
		(Highways): I-A-1, I-A-7, I-B-1, I-C-2, I-G-1, II-B-5, II-C-1, II-E-1, III-C-3, III-H-1	10	126-127
		Annexure Paras: I-15, I-18, I-20(71), V-I(II)	4	127-128
		Education Engineering Cell: I-1	1	128

Continued ...

Paras Pended 101	Paras pended as the Department had not taken satisfactory action.	Works: (Buildings) I-A-7, I-A-8, I-A-10, I-B-1, I-B-2, I-B-3, I-C-1, I-C-2, I-C-4, I-C-5, I-E-1, II-A-1, II-A-3, II-A-4, II-A-6, II-B-1, II-B-3, II-B-5, II-B-6, III-A-1, III-A-3, III-A-4, III-A-6, III-A-7, III-A-8, III-D-1, III-F-1, III-G-1, IV-A-1, IV-A-2, IV-A-3, IV-A-4, IV-A-5, IV-A-6, IV-C-1, IV-E-1, V-D-1, VI-2, VI-3	39	129-144
		(Highways): I-A-3, I-A-4, I-A-6, I-A-9, I-B-2, I-B-3, I-B-4, I-C-1, I-C-3, I-D-2, I-F-1, II-A-1, II-A-2, II-A-3, II-A-4, II-A-6, II-A-7, II-B-1, II-B-2, II-B-3, II-B-4, II-C-2, II-D-1, II-D-2, II-D-3, II-E-2, II-F-2, II-G-1, II-G-2, II-H-1, III-A-1, III-A-2, III-A-3, III-B-1, III-B-2, III-C-1, III-C-2, III-D-2, III-D-3, III-E-1, III-E-2, III-F-2, IV-A-1, IV-B-1, IV-B-2, IV-F-1, V-A-1, V-B-1, V-D-1, V-F-1	50	145-155
		Annexure Paras: I-1, I(9), I(II), I(12), I(13), I-(22), II(1), III(1), III-5, V-2	10	155-157
		Education Engineering Cell: II-1, III-1	2	157
	Paras pended as the Department did not submit the working paper.	Works:		

Discussed on 29-30 March, 9-11 July, 23-26 July, 29-31 August, 17-18 & 22 October 2001

Paras Finally Settled (Works Audit) (Buildings Department)

1. Para I-A-1: Page 40 Payment of Excessive Quantities-Rs.567,298/-

24-7-2001: The Department explained that the revised estimate for Rs.50.34 lacs against Administrative Approval for Rs.50.41 lacs had been sanctioned by the Competent Authority. There was no change in specification or design or scope of the work and thus revised Administrative Approval was not required. **The explanation of the Department was accepted and the para was settled.**

2. Para I-A-2: Page 40 Excess Quantities Rs.256,517/-

18-10-2001: The explanation of the Department was accepted and the para was settled.

3. Para I-A-3: Page 41; Payment of Excessive Quantities-Rs.214,771/-

24-7-2001: The Department explained that the quantities in question were covered in the revised technical sanction granted in 1995. The work was completed within the amount of the original Administrative Approval. **The explanation of the Department was accepted and the para was settled.**

4. Para I-A-4: Page 41; Payment of Excessive Quantities-Rs.200,292/-

24-7-2001: The Department explained that Administrative Approval was for Rs.63.14 lacs and amount of TS estimate was Rs.58.16 lacs

whereas the work was completed in Rs.52.98 lacs. The work was, therefore, completed within the original approval. Moreover, the variation in quantity had been approved by the Competent Authority. **The explanation of the Department was accepted and the para was settled.**

5. Para I-A-5: Page 42; Payment of Excessive Quantities-Rs.195,709/-

24-7-2001: The Department explained that on the basis of revised design by the P&D the depth of the piles was increased. The revised quantities were accordingly incorporated in the revised estimate which was technically sanctioned by the Chief Engineer. The explanation of the Department was accepted and **the para was accordingly settled.**

6. Para I-B-4: Page 47; Excessive Measurements Rs.83,570/-

25-7-2001: The Department explained that it was a 4-storey building and its foundation was 7 feet and Audit had taken it as 3.5 feet by mistake. **The explanation of the Department was accepted and the para was settled.**

7. Para I-B-5: Page 48; Excessive Measurements Rs.322,396/-

23-7-2001: The Department explained that the work had been executed as per provisions of the technically sanctioned estimates. Moreover, there was no prohibition on providing double coat of paint in annual repairs. **The explanation of the Department was accepted and the para was settled.**

8. Para I-B-6: Page 48; Excessive Measurements Rs.64,800/-

23-7-2001: The Department explained that the recovery of Rs.22,110/- had been made and got verified by Audit, and the recovery on account of earth work was not due as the item was covered in the revised Technical Sanction. **The explanation of the Department was accepted and the para was settled.**

9. Para I-B-7: Page 49; Excessive Measurements Rs.56,968/-

23-7-2001: The Department explained that the work was done and payment made in accordance with the approved design. Audit pointed out that Technical Sanction had been issued after the work was completed.

The Committee observed that ex post facto sanction was undesirable it should be avoided. **The para was settled.**

10. Para I-C-3 Page 51; Payment at Higher Rates Rs.343,599/-

30-3-2001: Audit reported that in a division non-schedule items of work of Rs.286,970/- was put to tender on 18 April 1995 against which the contractor quoted item rate of Rs.254,180/- which worked out to 11.42% below. Subsequently the non-schedule items were increased to Rs.1,355,373/- without tenders to avoid healthy competition in violation of codal formalities.

The Department replied that the practice of adding non-schedule items after award of contract was covered by the Rules and Superintending Engineer was competent to approve non-schedule rates. Audit remarked that as the specification had been changed, revised Administrative Approval was required.

The Committee, after discussion, observed that the action of the concerned SE in changing the specifications without Administrative Approval was not correct for which he would be admonished. Moreover, in future too, change in specifications would require revised Administrative Approval. **The para was settled, with the above mentioned observations.**

11&12. Para I-C-6: Page 53; Payment at Higher Rates Rs.59,557/-

23-7-2001: The Department explained that payment had been correctly made at the rate admissible under the Composite Schedule of Rates, 1979 for masonry of boundary wall. **The explanation of the Department was accepted and the para was settled.**

13. Para I-D-1: Page 53; Non-deduction of Rebate Rs.280,002/-

25-7-2001: Audit pointed out that the rebate of 6% offered by the contractor was deducted on schedule items but not on non-schedule items. The Department explained that the rebate was applicable to all items whether schedule or non-schedule included in the original contract. But the non-schedule items which cropped up later and were executed on the advice of the consultants, were paid as per approved rates, and the rebate of the original contract was not applicable to them. The explanation of the Department was accepted and **the para was settled.**

However, the Committee directed that Administrative Department should submit a report to the Committee to ensure that no mala-fide action was involved in the addition of new items and the rates of new items were duly negotiated.

14. Para I-E-2: Page 55; Price Variation Rs.54,383/-

23-7-2001: The Department explained that the entire amount of the para had been recovered and got verified by Audit. The explanation of the Department was accepted and the para was settled

15. Para I-F-1: Page 55; Disfiguring of Record Entry-Rs.112,500/-

29-8-2001: The recovery of the secured advance had been verified by Audit, and disciplinary action had been taken against persons at fault. **The Para was settled.**

16. Para I-G-1: Page 56; Incorrect Calculation Rs.96,006/-

25-7-2001: The Department explained that over-payment was due to a mistake in calculations and had since been recovered and got verified by Audit. Moreover, action would be taken against the persons responsible for the mistake in calculations. **The para was settled.**

17. Para I-H-1: Page 56; Payment Without Record Entry-Rs.65,726/-

26-7-2001: The Department explained that payment for the item was based on measurement recorded in the measurement book, therefore, no excess payment was involved. The measurement book was shown to Audit during the meeting and the entry was found available in the measurement book and Audit was satisfied. **The para was settled.**

The Committee directed that Audit should seek clarification from the officer who had raised the original audit observation, which has shown to be incorrect.

18. Para II-A-5: Page 59; Outstanding Government Dues Rs.1,091,334/-

23-7-2001: The Department explained that the recovery of Rs.1,087,504/- had been got verified by Audit on 28-6-2001, the record/recovery of the remaining amount of Rs.3,830/- would also be got verified. **The para was settled.**

19. Para II-B-2: Page 61; Non-recovery of Rent Charges Rs.196,280/-

24-7-2001: The Department explained that full recovery of the rental charges upto August 1996 had been effected. **As the rent for the period under Audit had been recovered, the para was settled.**

20. Para II-B-4: Page 61; Non-recovery of Rent Charges Rs.244,250/-

25-7-2001: The Department stated that this para also related to the recovery of rent of Circuit House and the amount of this para was included in the amount of para II-B-3. **The para was settled.**

21. Para II-C-1: Page 63; Professional/Income Tax Rs.130,252/-

29-3-2001: The Department explained that Income Tax amounting to Rs. 16,282/- had already been deducted. Moreover, recovery of income tax amounting to Rs.40,220/- had also been effected from the contractor in the monthly accounts for December, 2000.

The Committee directed the Department that officers responsible for non-deduction of Income Tax at source, in the absence of Exemption

Certificates, should be proceeded against under the Efficiency and Discipline Rules. The para was kept pending.

26-7-2001: The para was discussed with reference to the minutes of the meeting of PAC dated March 29, 2001. The Department explained that full recovery of Rs.130,250/- had been made and the action against officials/officers responsible for not deducting income tax at source was under process. **The para was settled.**

22. Para II-C-2: Page 63; Non-recovery of Professional Tax Rs.109,000/-

29-3-2001: The Department explained that assessee was himself responsible for the payment of Professional Tax and the deduction of Professional Tax at source was not required under the law. The Finance Department also supported the contention of the Department. **The explanation of the Department was accepted and the para was settled.**

23. Para II-C-3: Page 64; Professional/Income Tax-Rs.68,000/-

26-7-2001: Audit reported that an amount of Rs.29,000/- had been recovered and verified leaving the balance of Rs.39,000/-.

The Committee observed that payment of Professional Tax was the liability of the assessee and there was no legal obligation on the Department to deduct the Professional Tax at source. **The para was settled.**

24. Para II-C-4: Page 64; Professional/Income Tax-Rs.135,093/-

25-7-2001: The Department explained that recovery of Rs.135,093/- had been made from the contractors and got verified by Audit on April 11, 2001. **The para was settled.**

25. Para II-D-I: Page 65; Non-forfeiture of Security Rs.1,184,000/-

30-3-2001: The Department explained that security of the contractor had been forfeited. The Department was directed to produce the relevant record to Audit within one month for verification. The para was settled subject to verification by Audit.

26-7-2001: Audit reported that full recovery had been made through adjustment of forfeiture of security deposit of contractor and had been verified. **The para was settled.**

26. Para II-E-1: Page 65; Non-imposition of Penalty Rs.314,000/-

30-3-2001: The Department explained that the extension in time limit had been granted by SE after due consideration of the application made for extension in time limit. **The para was settled.**

27 & 28. Para III-A-2: Page 68; Acceptance of Tenders at Higher Rates Rs.65,180/-

29-3-2001: The Department explained that an amount of Rs.37,488/- had been recovered and verified by Audit and the remaining recovery of Rs.27,692/- could not be effected owing to the demise of the contractor. The Committee was apprised that the Departmental Accounts Committee had decided in April 1993 that the amount be recovered but the Department failed to do so during the life time of the deceased.

The Committee directed that an inquiry be held and the amount should be recovered from the officer found responsible for making excess payment to the contractor. The para was kept pending.

26-7-2001: The para was discussed with reference to the minutes of the meeting of the PAC dated 29 and March 30, 2001. Audit reported that the balance recovery of Rs.27,692/- had been effected and verified. **The para was settled.**

29. Para III-A-5: Page 70; Acceptance of Tenders at Higher Rates Rs.326,469/-

23-7-2001: The Department explained that the work related to the construction of 150-Bedded Eye-cum-General Hospital at Gojra. The contractor could not execute the work within the stipulated period, due to rise in prices of building material and non-provision of funds by the

Government. The scheme was again funded in 1992, the Superintending Engineer after considering the pros and cons of the matter decided to finalize the work of the first contractor and ordered calling fresh tenders for the balance work.

The Department further stated that on the basis of this Audit objection, an FIR was registered by ACE, but after considering the case in the light of comments of the Planning & Development Department and Finance Department, the proceedings were dropped by the Chief Secretary. **In view of the above, the para was settled.**

30. Para III-B-1: Page 72; Less Deduction of Income Tax-Rs.81,501/-

24-7-2001: The Department explained that after dismissal of his appeal by the Lahore High Court, the contractor had paid the requisite Income Tax and the XEN had confirmed the deposit from the Income Tax Department.

The Committee directed that the original challan should be produced to Audit. The para was kept pending.

18-10-2001: The Department explained that the recovery had been verified by Audit. **The para was settled.**

31. Para III-B-2: Page 73; Less Deduction of Income Tax-Rs.56,674/-

24-7-2001: The Department explained that full recovery of Rs. 56,674/- had been made. The para was settled subject to verification by Audit.

18-10-2001: The Department explained that the recovery had been effected and verified by Audit. **The para was settled.**

32. Para III-C-1: Page 74 Payments at Higher Premium Rs.85,972/-

29-8-2001: The Department explained that the scheme was re-tendered when the new site for the Police Station, Green Town was handed over to the Department after six months. The Committee accepted the explanation of the Department and **the Para was settled.**

33. Para III-C-2: Page 75; Payments at Higher Premium Rs.64,105/-

23-7-2001: The Department explained that full recovery of Rs.64,105/- had been made and got verified by Audit on 6-6-2001. **The para was settled.**

34. Para III-E-1: Page 76; Award of Work without Tender Rs.286,970/-

30-3-2001: Audit reported that in a division non-schedule items of work of Rs.286,970/- was put to tender on 18 April 1995 against which the contractor quoted item rate of Rs.254,180/- which worked out to 11.42% below. Subsequently the non-schedule items were increased to Rs.1,355,373/- without tenders to avoid healthy competition in violation of codal formalities.

The Department replied that the practice of adding non-schedule items after award of contract was covered by the Rules and Superintending Engineer was competent to approve non-schedule rates. Audit remarked that as the specification had been changed, revised Administrative Approval was required.

The Committee, after discussion, observed that the action of the concerned SE in changing the specifications without Administrative Approval was not correct for which he would be admonished. Moreover, in future too, change in specifications would require revised Administrative Approval. **The para was settled with the above mentioned observations.**

35. Para IV-B-1: Page 82; Utilization of Savings Rs.758,967/-

30-3-2001: Audit reported that a division utilized saving of sub-head "Payment to WAPDA" towards the construction work.

The Department explained that the amount in question was spent on the installation of electricity and Sui-gas equipment and not on other construction work. Moreover, revised Administrative Approval had already been issued. **The para was settled.**

36. Para IV-B-2: Page 83; Unauthorized Utilization of Savings-Rs.530,434/-

29-8-2001: The Department contended that neither any saving had been utilized nor any additional work had been executed. Audit verified the Departmental contention. **The para was settled.**

37. Para IV-B-3: Page 83; Utilization of Savings-Rs.452,191/-

23-7-2001: The Department explained that no diversion of saving under one sub-head to other sub-head was involved. All components of the scheme had been completed without reducing the scope of any other component. **The explanation of the Department was accepted and the para was settled.**

38. Para IV-C-2: Page 84; Payments Without Provisions-Rs.84,606/-

29-8-2001: The Department acceded to Audit observation and stated that the expenditure would be got regularized by obtaining revised Technical Sanction.

The Committee directed that the Administrative Department should re-circulate to all concerned Finance Department's instructions that price variation was subject to availability of amount in contingencies in the technically sanctioned estimates of the work. **With the above directive, the para was settled.**

39. Para IV-D-1: Page 85; Unauthorized Expenditure-Rs.384,766/-

29-8-2001: The Department explained that the specifications of the doors were changed from hollow to solid flush doors by Inspector General of Police (Punjab). Audit was of the view that the change should have been got approved by the Home Secretary. **After discussion the Committee decided to settle the para.**

40. Para IV-F-1: Page 86; Payments Against Government Instructions-Rs.585,562/-

26-7-2001: The Department explained that the work was executed according to the specifications (1967 Edition) for execution of work. **The para was settled.**

41. Para IV-G-1: Page 87; Expenditure in Excess of Budget Rs.499,579/-

23-7-2001: The Department explained that the original allocation for the Scheme was Rs.40.00 million, against which an expenditure of Rs.33.99 million had been incurred by May 5, 1996, while the advice regarding the reduction of Rs.0.8 million in the allocation proposed by Planning & Development Department was received by the Executive Engineer on May 10, 1996 and was confirmed by Finance Department in June, 1996.

The Committee observed that there was a need for streamlining the procedure. Planning & Development Department and Finance Department should keep in view the requirements of the Administrative Department before reducing the allocation of Schemes. **The para was settled.**

42. Para V-A-1: Page 88; Wasteful Expenditure Against Codal Rules-Rs.2,908,800/-

24-7-2001: Audit had pointed out that plants worth Rs.2,908,800/- had been purchased for G.O.R-I without inviting tenders through advertisement in the newspapers.

The Department explained that in compliance with the directive of the Chief Minister, the saving in budget head of Maintenance and Repairs was utilized for purchase of plants for Government Officers Residence-I in relaxation of Rules.

On the point whether Chief Minister was competent to relax the Rules, different authorities were quoted by the participants, some in the favour and some against it. The Committee directed the Department to examine the record and consider the advisability of referring the case to National Accountability Bureau.

The Department apprised the Committee that the case of disciplinary proceedings initiated against the concerned officers was awaiting a decision by the Chief Secretary. The para was kept pending.

18-10-2001: The Department explained that a regular inquiry had been held. All the points raised in Audit Para had been covered in the inquiry. The Chief Secretary, as Authority in the case, had awarded major penalty to the SDO and minor penalty to the Sub-Engineer. **The para was settled.**

43. Para V-B-1: Page 89; Infructuous Expenditure Rs.2,090,778/-

30-3-2001: Audit reported that a division paid heavy amount for supply of passenger lift in the Governor's House but the lift was not installed. The Department stated that the lift had since been installed at the site and was in working condition. **The para was settled.**

44. Para V-C-1: Page 89; Payments Without Provisions-Rs.294,764/-

29-8-2001: The Department explained that the price variation was rightly paid in the final bill. **The para was settled.**

45. Para VI-1: Page 91 Undue Financial Aid-Rs.3,046,617/-

29-8-2001: The Department explained that the requisite performance bond was obtained from the contractor, but it was not got extended.

The Committee directed that appropriate action should be taken against the officer who ignored to get the performance bond extended. **The para was settled.**

(Highways Department)

1. Para I-A-2: Page 96 Excessive Quantities-Rs.137,824/-

30-8-2001: After verification of record, Audit had accepted the Departmental contention that the payment had been made according to actual measurements **The para was settled.**

2. Para 1-A-5: Page 98; Excessive Quantities-Rs.278,384/-

30-8-2001: Audit pointed out that as a result of verification of record the actual amount of the para was Rs.271,000/-.

The Department explained that the amount of Rs. 271,000/- had since been recovered and appropriate action would also be taken against those responsible for the lapse pointed out in this para, including the Divisional Accountant. **The para was settled.**

3. Para I-A-8: Page 99; Excessive Quantities-Rs.366,913/-

31-8-2001: After verification of record, Audit had accepted the Department's reply. **The para was settled.**

4. Para I-A-10: Page 100; Excess Payments to Contractors of-Rs.252,419.20.

10-7-2001: After verification of record Audit had accepted the contention of the Department. **The para was settled.**

5. Para I-D-1: Page 105; Double Measurements-Rs.174,825/-

31-8-2001: The Department explained that the actual recoverable amount of Rs.153,060/- had been recovered and got verified by Audit and the balance amount was not recoverable. **The para was settled.**

6. Para I-E-1: Page 106; Non-deduction of Available Earth-Rs.138,988/-

31-8-2001: The Department explained that the recouped earth had been deducted from the item "embankment" and the final bill was under scrutiny in Divisional Office and will be submitted to Audit for verification.

The Committee settled the para with the direction that the Finance Department should monitor the verification of the recovery in Audit Para.

7. Para II-A-5: Page 110; Rental and Hire Charges-Rs.71,052/-

9-7-2001: The Department explained that rental charges of the machinery had been recovered from the contractor as per agreement and the requisite tar drums had also been recovered from him and auctioned, and the record had been got verified by Audit on February 8, 2001. **The para was settled.**

8. Para II-F-1: Page 119; Professional/Income Tax-Rs.132,632/-

9-7-2001: The Department explained that the recovery of Rs.76,329/- and Rs.56,303/- had been got verified by Audit on April 9, 2001 and June 12, 2001. **The para was settled.**

9. Para III-B-3: Page 125; Non-execution of Work Having Lesser Rates-Rs.77,600/-

9-7-2001: The Department explained that 16 No. culverts were provided in the agreement and the same were paid and there was no loss. **The para was settled.**

The Committee however, suggested that Audit might consider issuing a glossary of such terms as "Loss", "Misappropriation", "Embezzlement", etc. used in Audit Paras so that these are standardized and misunderstanding is reduced.

10. Para III-D-1: Page 127; Non-Imposition of Penalty Amounting to Rs.313,749/-

10-7-2001: The Department explained that the extension in the completion period had been granted by the Competent Authority and verified by Audit. **The para was settled.**

11. Para III-F-1: Page 130; Misappropriation of Material/Equipment-Rs.915,900/-

17-10-2001: The record had been verified by Audit. **The para was settled.**

12. Para III-G-1: Page 131; Non-acceptance of the Highest Bid-Rs.2,492,090/-

17-10-2001: The explanation of the Department was accepted. **The para was settled.**

13. Para III-I-1: Page 133 Non-utilization of Dismantled Material Rs.188,400/-

31-8-2001: The Department had complied with Audit observation and Audit had verified it. **The para was settled.**

14. Para III-J-1: Page 133; Non-forfeiture of Security Rs.343,000/-

11-7-2001: The Department explained that recovery of Rs.343,000/- alongwith interest had been made and verified by Audit. **The para was settled.**

15&16. Para IV-A-2: Page 135; Payment in Excess/Without Funds-Rs.11,071,052/-

31-8-2001: The Department explained that payment to the contractor was made with the approval of the Chief Engineer from the deposits available with the Executive Engineer and the action of the Department was in the interest of work and no *mala-fide* intention was involved. **After detailed discussion the Committee decided to settle the para.**

17. Para IV-A-3: Page 136; Payments in Excess/Without Funds Rs.693,000/-

11-7-2001: Audit pointed out that an amount of Rs.693,000/- was spent on the execution of MNA schemes against allotment of Rs.7,299,000/-, and the schemes were left incomplete. The Department explained that the schemes became un-funded during subsequent year 1993-94. **The explanation of the Department was accepted and the para was settled.**

18. Para IV-C-1: Page 138; Incorrect/Higher Rates Rs.980,165/-

11-7-2001: Audit had contended that the rate computed by the Department for a non-schedule item was not correct. The Department explained

that Superintending Engineer was competent to approve the non-schedule rates and the same were for the purpose of preparing estimates whereas the actual payment was made on the basis of the rate quoted in the tender and accepted by the Department. **After detailed discussion of the objection raised by Audit, the para was settled.**

19. Para IV-C-2: Page 138; Incorrect/Higher Rates Rs.308,458/-

11-7-2001: Audit had contended that the rate computed by the Department for a non-schedule item was not correct. The Department explained that Superintending Engineer was competent to approve the non-schedule rates and the same were for the purpose of preparing estimates whereas the actual payment was made on the basis of the rate quoted in the tender and accepted by the Department.

The explanation provided by the Department in response to Audit's objection, was accepted by the Committee. **The para was settled.**

20. Para IV-D-1: Page 139; Purchase of Old/Used Material-Rs.85,000/-

31-8-2001: The Committee accepted the explanation of the Department and **the para was settled.**

21. Para IV-E-1: Page 139; and 140 Procurement of Material against Government Instructions - Rs.3,100,000/-

31-8-2001: The Department explained that the bitumen was not physically issued to the contractor. 224.87 M. Ton bitumen had been transferred to another work and the remaining quantity of 30.47 M. Ton would be transferred in due course. After detailed discussion the Committee decided **to settle the para subject to appropriate action against the officers responsible** for excess purchase during the last month of the financial year.

22. Para V-C-1: Page 143; Material Purchased in Excess of Requirements Rs.15,250,893/-

9-7-2001: Audit pointed out that the Department had failed to produce the stock returns showing the consumption of material for verification. The Department explained that all the material under observation had since been utilized and relevant record was available, however, the prescribed stock returns had not been maintained.

The Committee directed that action should be taken against the officer who did not maintain the stock returns. **With the above direction the para was settled.**

23. Para V-E-1: Page 144; Payment Without Technical Sanction-Rs.120,895/-

11-7-2001: Audit pointed out that the Department started the work without an estimate technically sanctioned by the Competent Authority. Moreover, payment had been made for certain items which were not covered in the Administrative Approval.

The Department explained that detailed estimate including provision for approaches had been technically sanctioned on September 5, 1996.

The Committee was further informed that the XEN concerned had died.

The Committee observed that irregularity had been committed in this case as there was no approval of the provision for approaches in the Administrative Approval. The Committee directed the Department to take action as required under the law/rules. **The para was settled.**

(Annexure Paras)

1. Para I-16 (19987-88): Page 369; Serial 6, of the Annexure Non-recovery of Government Dues

31-8-2001: The Department explained that the balance amount of Rs.23,800/- had also been recovered. **The para was settled.**

2. Para 1-17(1987-88): Page 369; Serial 8, Non-recovery of Contract Fine-Rs.215,561/-

18-10-2001: The Department explained that in compliance with the decision of the Supreme Court of Pakistan, recovery of Rs.3,772,924/- had been effected vide G.R. No. 80723 dated May 13, 1998. The Department was asked to show the original record to Audit. **The para was settled.**

3. Para I-20(iii) (1987-88): Page 370; Serial 10, Non-recovery of Government Dues Rs.3,814,735/-

10-7-2001: In the last meeting of the PAC held on July 7, 1996 the outstanding balance had been shown as Rs.33,700/-

The Department explained that the complete recovery had been effected and got verified by Audit. **The para was settled.**

4. Para II(2) (1987-88): Page 370, Serial 14, Excess Payment-Rs.1,806,522/-

18-10-2001: The explanation of the Department was accepted and the para was settled.

5. Para II(6) (1987-88): Page 370; Serial 15, of the Annexure Overpayment

31-8-2001: The final bill had been verified by Audit. **The Committee settled the para.**

6. Para II(23)(1987-88): Page 370; Serial 16, Excess Payment of Rs.185,323/-

10-7-2001: The Department explained that the actual recovery of Rs.23,243/-, as per decision of the Standing Rates Committee had been made and got verified, and Audit had recommended the para for final settlement vide letter No.PAC-D-1/DP-II-23/87-88/3439 dated 7.4.2001. **The para was accordingly settled.**

7. Para III-6(1987-88): Page 371; Serial 19, Irregular Issuance of Bitumen of Rs.1,885,125/-

10-7-2001: The Department explained that as per direction of PAC dated July 27, 1996, the inquiry had been completed and the XEN was held responsible for the irregularity, but there was no loss to government. The said XEN had since died. **The Committee directed that the inquiry report should be shown to Audit and the para was settled.**

Paras Conditionally Settled (Works Audit) (Buildings Department)

1. Para I-A-6: Page 42; Payment of Excessive Quantities-Rs.91,200/-

29-3-2001: (i) Excess Payment of Rs.37,000/-

The Department explained that the comparison of the paid quantity had been made with the original technically sanction estimate and had been found that quantity paid was within the provision of revised technically sanction estimate. The Department further apprised the Committee that final bill cannot be prepared as the scheme was unfunded and the request had been made to the Finance Department for provision of requisite funds.

The Committee directed the Department to finalize the action and produce the necessary documents to Audit for verification. The item was kept pending.

(ii) Excess Payment of Rs.34,200/-

The Department explained that the comparison of the paid quantity had been made with the original sanctioned technical estimate and had been found that quantity paid was within the provision of revised technically sanction estimate. The Department further apprised the Committee that final bill could not be prepared as the scheme was unfunded. The request had been made to the Finance Department so many times for provision of requisite funds but the Finance Department has not allocated the funds by that time.

The Committee directed the Department that the action be finalized expeditiously and produce the record to Audit for verification. The item was kept pending.

(iii) Excess payment of Rs.22,810/-

The Department explained that the work had been completed within the approved cost and the payment was made according to the

sanctioned estimate by the Competent Authority. The explanation of the Department was accepted and the item was settled.

26-7-2001: The para was discussed with reference to the Minutes of the PAC meeting dated March 29, 2001.

(a) Excess payment of Rs.37,000/- (sic.)

Audit reported that recovery of Rs.37,000/- had been effected and verified. **The item was settled.**

(b) Excess payment of Rs.34,200/- (sic.)

The Department explained that the scheme in question was still unfunded and that the contract would be finalized and record produced to Audit for verification, on receipt of the requisite funds. **The item was kept pending.**

(c) Excess payment of Rs.22810/- (sic.)

This item of the para had already been settled.

18-10-2001: The Committee directed that necessary action in this matter should be pursued by the Department and progress monitored and reported by Finance Department. **The para was settled.**

2. Para I-A-9: Pages 44-45; Excessive Quantities-Rs.147,273/-

25-7-2001: The Department explained that as a result of over-all measurement, 40420 sq.ft. mosaic flooring had been paid against sanctioned quantity of 42,327 sq.ft. The variation statement had been signed by the Competent Authority. The Department had stated before Audit that marble tiles which were provided in the original estimate were replaced by mosaic flooring on the recommendation of consultants. **The para was settled subject to verification of substitution of marble tiles with mosaic flooring.**

3. Para I-D-2: Page 54; Non-deduction of Rebate and Openings Rs.107,526/-

30-3-2001: The Department explained that the deduction for doors, windows and opening had been made while measuring the work of glazed tiling. The Department was directed to produce the requisite record to Audit for verification. The para was settled subject to verification by audit

18-10-2001: The para had already been settled subject to verification of record by Audit. The Finance Department was directed to monitor and report the implementation of the PAC directive. **The para was settled.**

4. Para II-A-2: Page 58; Outstanding Government Dues-Rs.50,600/-

26-7-2001: The Department explained that the relevant record had been traced out and would be produced to Audit. **The para was settled subject to verification by Audit.**

5. Para II-F-1: Page 66; Less Deduction of Interest-Rs.94,688/-

29-8-2001: The Department explained that the whole amount of mobilization advance along with interest had been recovered.

The Committee directed that the record may be produced to Audit for verification that the mobilization advance was deducted from the next running bill. Audit was asked to recheck its calculations of amount due. **The para was settled subject to verification by Audit.**

6. Para III-B-3: Page 73; Less deduction of Income Tax Rs.239,525/-

23-7-2001 The Department explained that the actual recoverable amount of Income Tax was Rs.232,609/- which had been recovered.

The Committee directed the Department to get the variation in figures and recovery verified by Audit. The para was settled.

7. Para III-D-2: Page 76; Misappropriation of Material-Rs.1,723,000/-

29-8-2001: Audit pointed out that the record of 1599 fans had not been produced even after a lapse of 4 years. The Department admitted that

there was a procedural lapse and the record had since been completed.

The Committee directed that action should be taken against the officials responsible for not maintaining the record at the proper time.

The Committee also directed that action should be taken against those who did not take action on Audit Para from its receipt in the Department to date. **The Committee further directed that the record should be verified by Audit. With the above directions the Para was settled.**

(Highways Departments)

1. Para I-A-1: Page 96; Excessive Quantities-Rs.216,620/-

31-8-2001: The Department explained that the total recovery had been effected and the record was ready for verification by Audit.

The Committee settled the Para subject to verification by Audit. Finance Department's Monitoring Wing would watch progress of the verifications.

2. Para I-A-7: Page 99; Excessive Quantities Rs.121,220/-

11-7-2001: The Department explained that this Para was based on 6 Advance Paras and contended that quantities had been paid as per actual work done and measured on site. Moreover, the original record as per request of Audit had been produced on March 8, 2001 for verification. Audit stated that the relevant record was under verification. **The Committee settled the para subject to verification of record by Audit.**

3. Para I-B-1: Page 101; Excessive Measurements Rs.148,725/-

11-7-2001: The Department explained that over all recovery of Rs.115,066/- had been made. **The para was settled subject to verification of recovery by Audit.**

4. Para I-C-2: Page 104; Payments at Higher Rates-Rs.438,556/-

31-8-2001: The Department explained that the recovery had been effected.

The Committee settled the Para subject to verification by Audit. Finance Department's Monitoring Wing would watch completion of the verifications.

5. Para I-G-1: Page 107; Non-deduction of Rebate-Rs.64,999/-

10-7-2001: The Department explained that the recovery of 5% rebate worked out at Rs.4,999/- instead of Rs.64,999/- and the amount had been recovered. **The para was settled subject to verification by Audit.**

6. Para II-B-5: Page 114 Outstanding Government Dues Amounting to Rs.2,538,108/-

10-7-2001: The Department explained that material had been received against the advance payment made to a sister Division, and that the advance payment had since been adjusted.

The Department was directed to get the adjustment verified by Audit. **The para was settled subject to verification by Audit.**

7. Para II-C-1: Page 114 Non-recovery of Compensation Rs.670,000/-

9-7-2001: The Department was directed to get the record in support of its reply verified by Audit. **The Committee settled this para subject to verification of record by Audit.**

8. Para II-E-1: Page 117 Non-recovery of Cost of Material-Rs.1,415,993/-

31-8-2001: After verification of record Audit had reduced the amount of the Para to Rs.315,356/-.

The Department explained that the recovery had been made but the accounts of the contractor had not been finalized, as the work was completed at the risk and cost of the contractor.

The Para was settled subject to recovery and its verification and appropriate action against the officials responsible for violation of the relevant Rules. The Monitoring Wing of the Finance Department would monitor the recovery and report to PAC in due course.

9. Para III-C-3: Page 127; Non-disposal of Material Rs.771,187/-

10-7-2001: The Department explained that the unserviceable material was put to auction thrice but had not been fetching the reserve price.

The Committee observed that the Finance Department should make provision for dealing with such a situation.

The Committee directed that the material should be auctioned or got written off by the Competent Authority and get the action verified by Audit. **The para was settled subject to verification by Audit.**

10. Para III-H-1: Page 132; Payment at Higher Rates-Rs.1,314,158/-

17-10-2001: The para was considered on 17 and 18 October 2001.

The Department was directed to produce the relevant record to Audit to prove its contention that the rate allowed was correct. **The para was settled subject to verification by Audit.**

(Annexure Paras) (Highways Department)

1. Para I-15 (1987-88): Page 369; Serial 6, Non-recovery of Government Dues from M/s. Sheikh & Co., Contractors-Rs.435,047/-

30-8-2001: The Department stated that the case was in litigation since March 1979 and narrated a long history of the litigation in the working paper.

The Committee, after a detailed discussion, decided that the Finance Department (Monitoring Wing) should monitor such cases and submit a half yearly report to the PAC. **The Para was settled with the direction that the case should be pursued by the Administrative Department and monitored by the Finance Department, with a periodical report to the PAC.**

2. Para I-18(1987-88): Page 370; Serial 9, of the Annexure Non-recovery of Government Dues

31-8-2001: The Department explained that sanction of write off was still in process. **The Committee decided to settle the Para subject to write off sanction by the Competent Authority. The monitoring Wing of the Finance Department would watch progress of the write off.**

3. Para I-20(71)1987-88: Page 370; Serial 11, Non-recovery of Government Dues-Rs.26,500/-

10-7-2001: In the last meeting held on August 23, 1992, the outstanding balance was shown as Rs.15,000/-.

The Department explained that the recovery of balance amount of Rs. 18,000/- had since been made. **The para was settled subject to verification of record.**

4. Para V-1(II)1987-88: Page 371; Serial 20, Misappropriation of Store-Rs.22,400/-

10-7-2001: The Department explained that stock entry of 3 ceiling fans had been got verified by Audit and the amount of Rs.20,000/- had been written off by the Competent Authority. **The para was settled subject to verification by Audit.**

(Education Engineering Cell)

1. Para I-1: Page 359; Non-recovery of Government Dues-Rs.1,006,822/-

25-7-2001: The Department explained that this para related to construction of Science Laboratories in 19 schools and the para basically related to the Education Department.

The Department further stated that the Education Department had already recovered the un-spent amounts from all concerned.

The Committee directed the Department to explain the position to Director General Audit and Education Department through a letter. **The para was settled subject to verification by Audit.**

Note: As a result of transfer of para No.I-1 from Education Department to C&W Department, the Working Paper in respect of the said para was prepared and explained by the C&W Department before the Ad hoc PAC.

Paras Pended

(Works Audit)

(Buildings Department)

1. Para I-A-7: Page 43; Payment of Excessive Quantities-Rs.281,071/-

26-7-2001: The Department explained that standard estimates for 6 police stations had been approved, but the site of the Police Station at Nawankot was 18 feet below road level which required a large quantity of sand for filling. An amended Administrative Approval was accordingly issued. Hence execution of item of work was covered by the provision of the estimate Administratively Approved/technically sanctioned.

The Committee directed that original record should be produced to Audit for verification. **The para was kept pending.**

2. Para I-A-8: Page 44; Payment of Excessive Quantities-Rs.184,320/-

26-7-2001: The Department explained that against the quantity of 3536 sq.ft. of the item in question approved in technically sanctioned estimates, a quantity of 2869 sq.ft. had been paid and there was no excess payment.

The Committee directed that the original record should be produced to Audit for verification. **The para was kept pending.**

3. Para 1-A-10 Page 45; Payment of Excessive Quantities Rs.85,345/-

30-3-2001: The Department explained that, as per practice, prior approval for change in specifications and quantities was obtained during execution of work, but Technical Sanction was revised once the work had been executed. Audit pointed out that the Rules required prior approval in writing and oral approval was not sufficient.

The Department was directed to produce the record to Audit for verification whether payment was made in excess of Technical Sanction. The para was kept pending.

18-10-2001: Audit pointed out that the total amount of the revised T.S. did not tally with changes made in various items of the T.S. During discussion it transpired that the total had been left un-changed perhaps deliberately because if total was enhanced the expenditures would have exceeded the permissible limit and a revised A.A. would have been required.

The Administrative Secretary observed that he would inquire into the matter personally and take action accordingly.

The Committee directed the Administrative Secretary to complete the requisite action expeditiously. **The para was kept pending.**

4. Para I-B-1: Page 46; Excessive Measurements-Rs.241,005/-

24-7-2001: Audit had pointed out that the construction of 32 flats, with equal covered area, drawing and design, were allotted to two different contractors, but the measurements of one contract exceeded the measurements of the other.

The Department explained that a probe was held into the difference of measurements and variation in structure had been found, and another probe into the design was required. The Committee directed that the probe and necessary action should be completed within one month. The para was kept pending.

18-10-2001: The Department explained that inquiry report in this matter had been received. Moreover, the revised T.S. was also required. The Committee directed that decision of the Inquiry Report, the recovery as per finding of the inquiry, and action for revision of T.S. should be completed before the next meeting. **The para was kept pending.**

5. Para I-B-2: Page 46; Excessive Measurements/Payment-Rs.285,581/-

29-8-2001: The Department explained that the change of thickness of slab from 4” to 5” had been covered in the revised Administrative Approval and the revised Technical Sanction was in process. The Department further stated that the said change had no major financial effect as the increase in the thickness of the slab was effect by a reduction in the quantity of steel to be used.

The Department was directed to expedite the issuance of revised Technical Sanction and get the record verified by Audit. The exact difference of total cost between 4” and 5” slab should also be worked out. **The para was kept pending.**

6. Para I-B-3: Page 47; Excessive Measurements/Payment-Rs.198,749/-

29-8-2001: The Department explained that the change had been covered in the revised Administrative Approval, but revised Technical Sanction was in process.

The Committee directed that the Department should produce revised Technical Sanction and other relevant record to Audit without delay for verification. **The para was kept pending.**

7. Para I-C-1: Page 50; Payments at Higher Rates-Rs.77,002/-

24-7-2001: The para was considered on July 24, 2001 and again on July 26, 2001.

On July 24, 2001, the Department explained that the item under observation was paid according to the technically sanctioned estimate by the CE (North Zone) on June 10, 1996. The Department was directed to show the relevant record/drawings to Mr Aftab Ahmad Khan, Member, ad hoc Public Accounts Committee.

The para was reconsidered on 26.7.2001. The Committee directed that the Department should submit a revised working paper, explaining the contention of the Department in detail, especially with reference to the points raised by Mr Aftab Ahmad Khan during his discussion with the concerned officers. **The para was kept pending.**

8. Para I-C-2: Page 50; Payment at Higher Rates-Rs.578,509/-

30-3-2001: Audit reported that in the construction of police station Muridke Sadar, Sheikhpura, a division paid non-schedule rate of Rs.85/- per sq.ft. “P/F special first class selected bricks for fair facing instead of the admissible rate of Rs.30.39 per sq.ft. approved by the Planning & Development Department.

The Department explained that the rates paid were not high but lower than those approved by ECNEC for such items. Moreover, the non-schedule rates were approved by Superintending Engineer and sent to Standing Rates Committee, which did not make any comment.

The Committee directed that:-

1. minutes of the meeting of the Departmental Development Committee should be produced to Audit and the Committee. Audit

pointed out that the Department had misquoted the decision of Departmental Development Committee in the Working Paper;

2. non-schedule rates should be got vetted by the Standing Rates Committee. The para was kept pending.

18-10-2001: The Department explained that the decision of the Standing Rates Committee was still awaited, and if according to the decision of the SRC, excess payment was established, the recovery would be made and disciplinary action would be taken against the officer responsible for over-payment. The Department was directed to finalise the requisite action expeditiously. **The para was kept pending.**

9. Para I-C-4: Page 52; Payments at Higher Rates-Rs.184,338/-

26-7-2001: The Department explained that the site of Constabulary Barrack in Police Station, Qila Gujjar Singh was full of debris/rubbish which had to be excavated upto 12' depth and disposed of upto the lead of 6-1/2 miles. On the basis of the report of Building Research Laboratory, technically sanctioned estimates were revised accordingly. The work executed on the site was strictly in accordance with the provision of technically sanctioned estimate.

The Committee directed that the original record should be produced to Audit for verification. **The para was kept pending.**

10. Para I-C-5: Page 52; Payment at Higher Rates-Rs.350,103/-

25-7-2001: Audit Para Nos.I-C-5, III-A-4, IV-A-3, IV-A-4, IV-A-5, V-D-1 & VI-3 relating to construction of Children Hospital (Emergency Block), Lahore were considered on July 25, 2001 and July 26, 2001.

Audit observations related to acceptance of tenders beyond the permissible limit of Administrative Approval, issuance of Technical Sanction beyond permissible limit of Administrative Approval, issuance of Technical Sanction after execution, making expensive changes during execution, etc.

The Committee observed that these paras could not be considered without hearing the Health Department and Planning & Development Department along with Communications & Works Department.

The Committee directed that the Working Papers, submitted by the Communications & Works Department on these paras should be communicated to Health and Planning & Development Departments who should also submit their explanations on these paras.

The next meeting should be attended by Health Secretary, the then Project Director, Chief (Health) Planning & Development and Member (Technical) Planning & Development, besides Secretary, Communications & Works.

The next meeting for this purpose was tentatively fixed for August 31, 2001.

In view of large number of Audit Paras which were left un-considered on the conclusion of the meeting and with the consent of the Secretary, Communications and Works, the meeting to consider Audit Paras of that Department was extended to 26 July 2001 at 11.30 am though not previously mentioned in the schedule of the meetings of the Committee.

22-10-2001: The Committee heard Planning and Development, Finance, Health and Communications and Works Departments.

Audit emphasised that gross irregularities had been committed; e.g., the specifications were drastically changed without orders of the Competent Authority; higher rates were allowed; novel and expensive items were substituted without lawful authority; and contractual obligations were not enforced.

C&W Department pointed out that they had executed the works strictly in accordance with the directions/approval of the Competent Authority. However, the Administrative Department had not yet obtained approval of the revised PC-1.

P&D Department stated that they were not involved in the implementation as their role was of a clearing house. It was for the Administrative Department to have arranged revised approval or sanction at the relevant time. The Provincial Government had no authority to approve material deviations in the project approved by ECNEC.

Health Department insisted that the changes/revision had, from time to time, been approved by the Project Implementation Committee constituted by the Government for the purpose.

In view of difference of opinion amongst the Departments, the Committee was unable to take any decision with reference to Audit paras;

and, concluded that the matter needed detailed examination by the Government at the appropriate level. The Committee accordingly deferred consideration of Audit paras, and directed that a Committee consisting of Chairman P&D Board (Chairman) and Secretaries of Health, C&W and Finance Departments would consider all the issues, and submit a report to the PAC within two months. Assembly Secretariat was directed to make a self-contained reference to the Government in this connection. **The paras were kept pending.**

11. Para I-E-1: Page 54; Price Variation Rs.79,200/-

23-7-2001: The Department explained that as per Audit observation, recovery of Rs.67,856/- had been made and the balance recovery of Rs.11,344/- would also be made. However, the Department was of the view that Audit observation that the rate changed during the month would be applicable on Ist day of next month, was not justified, because the rate changed during the month was applicable from the first day of the particular month instead of first day of the following month.

Audit pointed out that the issue had already been discussed and decided for recovery. The Committee observed that as the issue had surfaced again, Audit should re-examine it.

The Committee directed that the Department should give its concise views in writing to Audit for examinations and comments. **The para was kept pending.**

12. Para II-A-1: Page 57; Outstanding Government Dues-Rs.66,951/-

26-7-2001: The Department explained that the recovery of Rs.12,697/- on account of penalty had been made from the contractors but the recovery on account of price variation was not due, as the contractor was entitled to the price variation during the original period, but not for the extended period.

The Department was directed to produce the relevant record in support of their reply to Audit for verification. **The para was kept pending.**

13. Para II-A-3: Page 58 Price variation Rs.102,600/-

23-7-2001: The Department explained that an amount of Rs.37,113/- (*sic.*) had been recovered and balance amounts of Rs.22,349/- (*sic.*) and Rs.43,173/- (*sic.*) were recoverable from two contractors and the recovery was being pursued as arrears of land revenue.

The Committee observed that the Department had not taken any action since 1995 and directed the Department to take appropriate action against the officers who did not effect recovery and had remained negligent. **The para was kept pending.**

14. Para II-A-4: Page 59 Outstanding Government Dues Rs.188,700/-

23-7-2001: The Department explained that recovery of Rs.111,419/40 (*sic.*) had been got verified by Audit on July 9, 2001, leaving a balance of Rs.77,265/60 (*sic.*). Giving break-up of the balance amount, the Department stated that Rs.55,000/- (*sic.*) were recoverable from one contractor on account of risk and cost, Rs.16,000/- (*sic.*) were recoverable from various contractors on account of stamp duty and Rs.6,625/- (*sic.*) were recoverable from sister Divisions.

The Committee directed that so far as the recovery of stamp duty was concerned, it should now be made from the officers who did not recover the same from the Contractors at the proper time. The Committee further directed that an inquiry should be held into the case of the recovery of the amount on account of “risk and cost” from the Contractor. It should, *inter alia*, be determined whether necessary action for recovery had been initiated at the proper time and whether the Contractor had continued to work for the Department after the said amount of “risk and cost” had become recoverable from him. Action should be taken against the officers found responsible for not taking action for recovery at the proper time. **The para was kept pending.**

15. Para II-A-6: Page 60; Outstanding Government Dues Rs.1,717,600/-

23-7-2001: The Department explained that recovery of Rs.1,491,036/58 (*sic.*) had been made and got verified by Audit on May 15, 2001 and efforts were being made to recover the balance amount of Rs.182,141/- (*sic.*). **The para was kept pending**

16. Para II-B-1: Page 60; Non-recovery of Rs.72,483/- (Non-recovery from Contractor Rs.49,020/- and Rental Charges Rs.23,463/-**24-7-2001: (i) Non-recovery of Risk & Cost-Rs.49,020/-**

The Department explained that recovery from the contractor was being pursued as arrears of land Revenue.

The Department was directed to take appropriate action for recovery without further loss of time.

(ii) Non-recovery of Rent of Government Buildings-Rs.23,463/-

The Department explained that the residential quarters belonged to Thal Development Authority and were handed over to the Building Department in 1989. These quarters had already been occupied by unauthorized persons. However, out of the total recovery pointed out by Audit, an amount of Rs.6,540/- had been recovered leaving the balance of Rs.16,923/- and the remaining recovery was not possible in the absence of the availability of the whereabouts of the then un-authorized occupants.

The Department was directed to take appropriate action in the matter. **The para was kept pending.**

17. Para II-B-3: Page 61 Non-recovery of Rent Charges-Rs.396,300/-

25-7-2001: The para related to the non-recovery of the room rent of the Circuit House, Lahore. After verification of record produced by the Department, Audit had verified the recovery of Rs.303,100/- (*sic.*) leaving a balance of Rs.94,200/- (*sic.*). The Department reported that in the meantime a further recovery of Rs.44,550/- (*sic.*) had been made and efforts were being made to recover the balance amount of Rs.49,650/- (*sic.*). **The para was kept pending.**

18. Para II-B-5: Page 62 Non-recovery of Rent Charges Rs.75,755/-

23-7-2001: Audit had pointed out that the Department had failed to recover House Rent Allowance and House Rent from District Accounts Officer.

The Department explained that the house in question was under the administrative control of District Accounts Officer, Bahawalnagar. Upto January 1, 1995 it was not allotted or occupied by anybody. And after that date rent had been regularly deducted as certified by the District Accounts Officer.

The Department stated that this para should have been addressed to the Administrative Department of the District Accounts Officer concerned.

The Committee directed that the Communications & Works Department should provide a complete report to Audit showing the record of allotment and occupation of the house in question and details of the House Rent deductions from the allottees/occupants, and also the details of House Rent Allowance, if drawn by them. **The para was kept pending.**

19. Para II-B-6: Page 62; Non-recovery of Rent Charges Rs.413,906/-

23-7-2001: The Department explained that the rent of the Government buildings was recoverable from the Officers of the Rangers, Army and the Armed Services Board, to the extent of Rs.257,592/-, Rs.156,300/- and Rs.25,076/- respectively & totalling Rs. 438,968/- Efforts were being made to recover the same.

Finance Department pointed out that the provisions regarding the rents to be charged for residence of one government occupied by a servant of another government were given in the Para X of Appendix 4 of Punjab Financial Rules Volume-II.

The Committee directed that the Department should approach the authorities concerned at appropriate level, for recovery of the Punjab Government dues from officers of the Rangers, Army and Armed Services Board. If necessary, the Secretary I&C, Services General Administration Department should also be consulted in the matter. **The para was kept pending.**

20. Para III-A-1: Page 67; Acceptance of Tenders at Higher Rates- Rs.2,343,879/-

29-3-2001: Audit reported that tenders had been accepted at 14.34% above technically sanctioned estimate instead of 4.5% fixed by the Government in Delegation of Financial Powers Rules, 1990. The tenders were floated on January 3, 1991 and the technical sanction was obtained on February 4, 1991 as such the tenders had been called before the grant of technical sanction.

The Committee directed the Department to hold an inquiry, fix responsibility on the officers who invited the tenders before the technical sanction and take disciplinary action against the defaulters under the rules. The para was kept pending.

18-10-2001: The Department explained that show cause notices had been issued to the concerned officers under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed the Department to finalise the disciplinary action expeditiously. **The para was kept pending.**

21. Para III-A-3: Page 69; Acceptance of Tenders at Higher Rates-Rs.2,107,350/-

29-8-2001: The Department stated that this Audit Para comprised 3 Advance Paras and explained as under :-

Advance Para 4443**Advance Para 4444**

The Department explained that tenders had been accepted on the basis of revised Administrative Approval and the work was executed with some saving. **The explanation was accepted and these parts were settled.**

Advance Para 4446

The explanation of the Department for this part of the para was not accepted and the Department was directed to recheck the calculations and get the record verified by Audit. **This part was kept pending.**

22. Para III-A-4: Page 69; Acceptance of Tenders at Higher Rates-Rs.5,075,605/-

25-7-2001: Audit Para Nos.I-C-5, III-A-4, IV-A-3, IV-A-4, IV-A-5, V-D-1 & VI-3 relating to construction of Children Hospital (Emergency Block), Lahore were considered on July 25, 2001 and July 26, 2001.

Audit observations related to acceptance of tenders beyond the permissible limit of Administrative Approval, issuance of Technical Sanction beyond permissible limit of Administrative Approval, issuance of Technical Sanction after execution, making expensive changes during execution, etc.

The Committee observed that these paras could not be considered without hearing the Health Department and Planning & Development Department along with Communications & Works Department.

The Committee directed that the Working Papers, submitted by the Communications & Works Department on these paras should be communicated to Health and Planning & Development Departments who should also submit their explanations on these paras.

The next meeting should be attended by Health Secretary, the then Project Director, Chief (Health) Planning & Development and Member (Technical) Planning & Development, besides Secretary, Communications & Works.

The next meeting for this purpose was tentatively fixed for August 31, 2001.

In view of large number of Audit Paras which were left un-considered on the conclusion of the meeting and with the consent of the Secretary, Communications and Works, the meeting to consider Audit Paras of that Department was extended to 26 July 2001 at 11.30 am though not previously mentioned in the schedule of the meetings of the Committee.

22-10-2001: The Committee heard Planning and Development, Finance, Health and Communications and Works Departments.

Audit emphasised that gross irregularities had been committed; e.g., the specifications were drastically changed without orders of the Competent Authority; higher rates were allowed; novel and expensive items were substituted without lawful authority; and contractual obligations

were not enforced.

C&W Department pointed out that they had executed the works strictly in accordance with the directions/approval of the Competent Authority. However, the Administrative Department had not yet obtained approval of the revised PC-1.

P&D Department stated that they were not involved in the implementation as their role was of a clearing house. It was for the Administrative Department to have arranged revised approval or sanction at the relevant time. The Provincial Government had no authority to approve material deviations in the project approved by ECNEC.

Health Department insisted that the changes/revision had, from time to time, been approved by the Project Implementation Committee constituted by the Government for the purpose.

In view of difference of opinion amongst the Departments, the Committee was unable to take any decision with reference to Audit paras; and, concluded that the matter needed detailed examination by the Government at the appropriate level. The Committee accordingly deferred consideration of Audit paras, and directed that a Committee consisting of Chairman P&D Board (Chairman) and Secretaries of Health, C&W and Finance Departments would consider all the issues, and submit a report to the PAC within two months. Assembly Secretariat was directed to make a self-contained reference to the Government in this connection. **The paras were kept pending.**

23. Para III-A-6: Page 71; Acceptance of Tenders at Higher Rates Rs.156,647/-

23-7-2001: The Committee observed that the issue involved in this para was the same as in Para III-A-7 (Para 7 above) and decided that the observation/direction given in Para III-A-7 should also apply to Para III-A-6. **The para was accordingly kept pending.**

24. Para III-A-7: Page 71; Acceptance of Tenders at Higher Rates Rs.342,406/-

23-7-2001: The issue involved in this para was whether the amount of “contingencies” provided for a scheme could be included in the figures of the estimates for the purpose of calculating the permissible limit of 4.5% above the Technical Sanction for acceptance of Tenders.

The Department quoted a decision of the Provincial Development Working Party (PDWP) wherein it had been held that the Buildings Department could accept the lowest tender by utilizing a part of the contingency provision and there was no necessity of revision of scheme/amended approval. However, a Sub-Committee comprising Additional Secretary Communications & Works Department, and a representative each of Finance Department and Audit, had concluded that the amount of “contingency” should not have been utilized towards acceptance of tenders and had added that such an action could not be termed as loss to Government, but an irregularity, which should be got regularised from the Finance Department.

The Committee observed that the report of the above-mentioned Departmental Sub-Committee should have been formally submitted to the Public Accounts Committee who had constituted the Sub-Committee and it should be done now. The Committee directed that in the working paper for the next meeting, the Department should deal with this issue at length. **The para was kept pending.**

25. Para III-A-8: Page 72; Losses to Government Rs.566,756/-

23-7-2001: Audit had pointed out that two works had been allotted at 26.3% and 28.8% above the amount of technically sanctioned estimates.

The Department explained that the excess worked out by Audit was not correct. The actual excess over Technical Sanction, in one work was 3.67% and in the other it was 0.77%.

The Committee directed that the Department should produce the record to Audit for verification and comments. **The para was kept pending.**

26. Para III-D-1: Page 75; Misappropriation of Material-Rs.2,790,408/-

29-8-2001: Audit reported that the record produced by the Department was under verification. The Committee directed Audit to satisfy itself that the material was effectively with the Department in their premises. **The para was kept pending.**

27. Para III-F-1: Page 77; Non-deduction in Bid-Rs.511,778/-

25-7-2001: During discussion of the para, Audit pointed out that the item “Passenger Lift and Dumb Waiter” was included in the original tender, and the contractor had quoted Rs.7,059,000/- with a rebate of 7.25% provided that the Department made payments for opening of Letter of Credit and other Government duties. But the said item of “lift” was excluded from the original contract and was awarded through fresh tenders to the same contractor for Rs.8,500,000/-.

The Administrative Secretary observed that conditional tender was not acceptable. However, Audit had made a fresh observation which was not included in the original para. He observed that the matter needed a probe.

The Committee was also informed that the lift mentioned in para III-F-1 installed in MPAs Hostel, had a slow speed and had worked unsatisfactorily ever since its installation.

The Committee directed that the Department should hold an inquiry into the matter, *inter alia*, to see whether any financial irregularity had been committed in the award of the contract, and action should be taken against the persons found responsible for any irregularity, besides getting the matter regularised from the Finance Department. **The para was kept pending.**

28. Para III-G-1: Page 78; Shortage/Missing of Articles-Rs.116,814/-

24-7-2001: The para related to the shortage of articles in two VVIP Guest Houses.

The Department explained that a probe was held into the shortage and to fix the responsibility. It had been found that (late) Mr Mukhtar Ali, Caretaker was responsible for the shortage.

The Committee was not satisfied with the explanation of the Department and directed that a detailed inquiry should be held into the matter and the extent of the responsibility of the supervisory officers should also be determined. The para was kept pending.

18-10-2001: The Department explained that a further inquiry in the matter had revealed that the sub-Engineer who remained in charge of the Guest House was also responsible for the shortage and proceedings had been initiated against him under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Department was directed to complete the requisite action expeditiously. **The para was kept pending.**

29. Para IV-A-1: Page 79; Payments Against Financial Rules-Rs.752,408/-

29-8-2001: The Department explained that the change in the scope of work had been covered in the revised Administrative Approval, but revised Technical Sanction was in process.

The Committee directed the Department to produce the revised Technical Sanction and other relevant record to Audit without delay for necessary verification. **The para was kept pending.**

30. Para IV-A-2: Page 79; Payments Against Financial Rules-Rs.140,000/-

29-8-2001: The Department explained that the change had been covered in the revised Administrative Approval, but the revised Technical Sanction was in process.

The Committee directed that the Department should produce the revised Technical Sanction and other relevant record to Audit without delay for verification. **The para was kept pending.**

31. Para IV-A-3: Page 80; Payments Against Financial Rules Rs.3429,700/- Emergency Block

25-7-2001: Audit Para Nos.I-C-5, III-A-4, IV-A-3, IV-A-4, IV-A-5, V-D-1 & VI-3 relating to construction of Children Hospital (Emergency Block), Lahore were considered on July 25, 2001 and July 26, 2001.

Audit observations related to acceptance of tenders beyond the permissible limit of Administrative Approval, issuance of Technical Sanction beyond permissible limit of Administrative Approval, issuance of Technical Sanction after execution, making expensive changes during

execution, etc.

The Committee observed that these paras could not be considered without hearing the Health Department and Planning & Development Department along with Communications & Works Department.

The Committee directed that the Working Papers, submitted by the Communications & Works Department on these paras should be communicated to Health and Planning & Development Departments who should also submit their explanations on these paras.

The next meeting should be attended by Health Secretary, the then Project Director, Chief (Health) Planning & Development and Member (Technical) Planning & Development, besides Secretary, Communications & Works.

The next meeting for this purpose was tentatively fixed for August 31, 2001.

In view of large number of Audit Paras which were left un-considered on the conclusion of the meeting and with the consent of the Secretary, Communications and Works, the meeting to consider Audit Paras of that Department was extended to 26 July 2001 at 11.30 am though not previously mentioned in the schedule of the meetings of the Committee.

22-10-2001: The Committee heard Planning and Development, Finance, Health and Communications and Works Departments.

Audit emphasised that gross irregularities had been committed; e.g., the specifications were drastically changed without orders of the Competent Authority; higher rates were allowed; novel and expensive items were substituted without lawful authority; and contractual obligations were not enforced.

C&W Department pointed out that they had executed the works strictly in accordance with the directions/approval of the Competent Authority. However, the Administrative Department had not yet obtained approval of the revised PC-1.

P&D Department stated that they were not involved in the implementation as their role was of a clearing house. It was for the Administrative Department to have arranged revised approval or sanction at the relevant time. The Provincial Government had no authority to approve material deviations in the project approved by ECNEC.

Health Department insisted that the changes/revision had, from time to time, been approved by the Project Implementation Committee constituted by the Government for the purpose.

In view of difference of opinion amongst the Departments, the Committee was unable to take any decision with reference to Audit paras; and, concluded that the matter needed detailed examination by the Government at the appropriate level. The Committee accordingly deferred consideration of Audit paras, and directed that a Committee consisting of Chairman P&D Board (Chairman) and Secretaries of Health, C&W and Finance Departments would consider all the issues, and submit a report to the PAC within two months. Assembly Secretariat was directed to make a self-contained reference to the Government in this connection. **The paras were kept pending.**

32. Para IV-A-4: Page 81 Payments Against Financial Rules-Rs.608,915/- (Emergency Block)

25-7-2001: Audit Para Nos.I-C-5, III-A-4, IV-A-3, IV-A-4, IV-A-5, V-D-1 & VI-3 relating to construction of Children Hospital (Emergency Block), Lahore were considered on July 25, 2001 and July 26, 2001.

Audit observations related to acceptance of tenders beyond the permissible limit of Administrative Approval, issuance of Technical Sanction beyond permissible limit of Administrative Approval, issuance of Technical Sanction after execution, making expensive changes during execution, etc.

The Committee observed that these paras could not be considered without hearing the Health Department and Planning & Development Department along with Communications & Works Department.

The Committee directed that the Working Papers, submitted by the Communications & Works Department on these paras should be communicated to Health and Planning & Development Departments who should also submit their explanations on these paras.

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C&W Department pointed out that they had executed the works strictly in accordance with the directions/approval of the Competent Authority. However, the Administrative Department had not yet obtained approval of the revised PC-1.

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Health Department insisted that the changes/revision had, from time to time, been approved by the Project Implementation Committee constituted by the Government for the purpose.

In view of difference of opinion amongst the Departments, the Committee was unable to take any decision with reference to Audit paras; and, concluded that the matter needed detailed examination by the Government at the appropriate level. The Committee accordingly deferred consideration of Audit paras, and directed that a Committee consisting of Chairman P&D Board (Chairman) and Secretaries of Health, C&W and Finance Departments would consider all the issues, and submit a report to the PAC within two months. Assembly Secretariat was directed to make a self-contained reference to the Government in this connection. **The paras were kept pending.**

33. Para IV-A-5: Page 81; Payments Against Financial Rules-Rs.43,095/-

25-7-2001: Audit Para Nos.I-C-5, III-A-4, IV-A-3, IV-A-4, IV-A-5, V-D-1 & VI-3 relating to construction of Children Hospital (Emergency Block), Lahore were considered on July 25, 2001 and July 26, 2001.

Audit observations related to acceptance of tenders beyond the permissible limit of Administrative Approval, issuance of Technical Sanction beyond permissible limit of Administrative Approval, issuance of Technical Sanction after execution, making expensive changes during execution, etc.

The Committee observed that these paras could not be considered without hearing the Health Department and Planning & Development Department along with Communications & Works Department.

The Committee directed that the Working Papers, submitted by the Communications & Works Department on these paras should be communicated to Health and Planning & Development Departments who should also submit their explanations on these paras.

The next meeting should be attended by Health Secretary, the then Project Director, Chief (Health) Planning & Development and Member (Technical) Planning & Development, besides Secretary, Communications & Works.

The next meeting for this purpose was tentatively fixed for August 31, 2001.

In view of large number of Audit Paras which were left un-considered on the conclusion of the meeting and with the consent of the Secretary, Communications and Works, the meeting to consider Audit Paras of that Department was extended to 26 July 2001 at 11.30 am though not previously mentioned in the schedule of the meetings of the Committee.

22-10-2001: The Committee heard Planning and Development, Finance, Health and Communications and Works Departments.

Audit emphasised that gross irregularities had been committed; e.g., the specifications were drastically changed without orders of the Competent Authority; higher rates were allowed; novel and expensive items were substituted without lawful authority; and contractual obligations were not enforced.

C&W Department pointed out that they had executed the works strictly in accordance with the directions/approval of the Competent Authority. However, the Administrative Department had not yet obtained approval of the revised PC-1.

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Health Department insisted that the changes/revision had, from time to time, been approved by the Project Implementation Committee constituted by the Government for the purpose.

In view of difference of opinion amongst the Departments, the Committee was unable to take any decision with reference to Audit paras; and, concluded that the matter needed detailed examination by the Government at the appropriate level. The Committee accordingly deferred consideration of Audit paras, and directed that a Committee consisting of Chairman P&D Board (Chairman) and Secretaries of Health, C&W and Finance Departments would consider all the issues, and submit a report to the PAC within two months. Assembly Secretariat was directed to make a self-contained reference to the Government in this connection. **The paras were kept pending.**

34. Para IV-A-6: Page 82; Payment Against Financial Rules Rs.205,159/-

23-7-2001: The Department explained that the item under objection P/F steel window consisting of M.S. Box Section Frame was got executed as per specifications given by the Chief Architect. The provision of Z-Section framed windows had been erroneously made in the technically sanctioned estimates. The Box-Section Frame was covered in the revised consolidated detailed estimate approved by Superintending Engineer.

The Committee directed that the Director General Audit Works should review and clarify the actual audit observation/objection. **The para was kept pending.**

35. Para IV-C-1: Page 84; Payments Without Provisions-Rs.226,268/-

29-8-2001: The Department stated that the Para comprised 3 Advance Paras and explained that regarding Advance Para Nos.4353 and 4362, the relevant record had been produced to Audit and verification was in process. In Advance Para 4367, regarding installation of 2 air conditioners at residence (instead of office) revised Administrative Approval was required. **The Para was kept pending.**

36. Para IV-E-1: Page 86; Unauthorized Payment of Secured Advance-Rs.1,279,950/-

29-8-2001: The Department explained that the changes had been covered in revised Administrative Approval but revised Technical Sanction was in process.

The Committee directed that the Department should produce the revised Technical Sanction and other relevant record to Audit without delay for verification. **The Para was kept pending.**

37. Para V-D-1: Page 90; Payment at Higher Rates-Rs.16,010,303/- (Emergency Block)

25-7-2001: Audit Para Nos.I-C-5, III-A-4, IV-A-3, IV-A-4, IV-A-5, V-D-1 & VI-3 relating to construction of Children Hospital (Emergency Block), Lahore were considered on July 25, 2001 and July 26, 2001.

Audit observations related to acceptance of tenders beyond the permissible limit of Administrative Approval, issuance of Technical Sanction beyond permissible limit of Administrative Approval, issuance of Technical Sanction after execution, making expensive changes during execution, etc.

The Committee observed that these paras could not be considered without hearing the Health Department and Planning & Development Department along with Communications & Works Department.

The Committee directed that the Working Papers, submitted by the Communications & Works Department on these paras should be communicated to Health and Planning & Development Departments who should also submit their explanations on these paras.

The next meeting should be attended by Health Secretary, the then Project Director, Chief (Health) Planning & Development and Member

(Technical) Planning & Development, besides Secretary, Communications & Works.

The next meeting for this purpose was tentatively fixed for August 31, 2001.

In view of large number of Audit Paras which were left un-considered on the conclusion of the meeting and with the consent of the Secretary, Communications and Works, the meeting to consider Audit Paras of that Department was extended to 26 July 2001 at 11.30 am though not previously mentioned in the schedule of the meetings of the Committee.

22-10-2001: The Committee heard Planning and Development, Finance, Health and Communications and Works Departments.

Audit emphasised that gross irregularities had been committed; e.g., the specifications were drastically changed without orders of the Competent Authority; higher rates were allowed; novel and expensive items were substituted without lawful authority; and contractual obligations were not enforced.

C&W Department pointed out that they had executed the works strictly in accordance with the directions/approval of the Competent Authority. However, the Administrative Department had not yet obtained approval of the revised PC-1.

P&D Department stated that they were not involved in the implementation as their role was of a clearing house. It was for the Administrative Department to have arranged revised approval or sanction at the relevant time. The Provincial Government had no authority to approve material deviations in the project approved by ECNEC.

Health Department insisted that the changes/revision had, from time to time, been approved by the Project Implementation Committee constituted by the Government for the purpose.

In view of difference of opinion amongst the Departments, the Committee was unable to take any decision with reference to Audit paras; and, concluded that the matter needed detailed examination by the Government at the appropriate level. The Committee accordingly deferred consideration of Audit paras, and directed that a Committee consisting of Chairman P&D Board (Chairman) and Secretaries of Health, C&W and Finance Departments would consider all the issues, and submit a report to the PAC within two months. Assembly Secretariat was directed to make a self-contained reference to the Government in this connection. **The paras were kept pending.**

38. Para VI-2: Page 91; Undue Financial Aid-Rs.5,999,000/-

29-8-2001: The Department could not satisfy the Committee that the Insurance Guarantee was available with the Department at the time of audit. The Committee directed that an inquiry should be held into the Para and disciplinary action should be taken against all persons responsible for the lapse, including the Divisional Accountant. **The para was kept pending.**

39. Para VI-3: Page 92; Undue Financial Aid Rs.5,364,300/-

25-7-2001: Audit Para Nos.I-C-5, III-A-4, IV-A-3, IV-A-4, IV-A-5, V-D-1 & VI-3 relating to construction of Children Hospital (Emergency Block), Lahore were considered on July 25, 2001 and July 26, 2001.

Audit observations related to acceptance of tenders beyond the permissible limit of Administrative Approval, issuance of Technical Sanction beyond permissible limit of Administrative Approval, issuance of Technical Sanction after execution, making expensive changes during execution, etc.

The Committee observed that these paras could not be considered without hearing the Health Department and Planning & Development Department along with Communications & Works Department.

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The next meeting should be attended by Health Secretary, the then Project Director, Chief (Health) Planning & Development and Member (Technical) Planning & Development, besides Secretary, Communications & Works.

The next meeting for this purpose was tentatively fixed for August 31, 2001.

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not previously mentioned in the schedule of the meetings of the Committee.

22-10-2001: The Committee heard Planning and Development, Finance, Health and Communications and Works Departments.

Audit emphasised that gross irregularities had been committed; e.g., the specifications were drastically changed without orders of the Competent Authority; higher rates were allowed; novel and expensive items were substituted without lawful authority; and contractual obligations were not enforced.

C&W Department pointed out that they had executed the works strictly in accordance with the directions/approval of the Competent Authority. However, the Administrative Department had not yet obtained approval of the revised PC-1.

P&D Department stated that they were not involved in the implementation as their role was of a clearing house. It was for the Administrative Department to have arranged revised approval or sanction at the relevant time. The Provincial Government had not authority to approve material deviations in the project approved by ECNEC.

Health Department insisted that the changes/revision had, from time to time, been approved by the Project Implementation Committee constituted by the Government for the purpose.

In view of difference of opinion amongst the Departments, the Committee was unable to take any decision with reference to Audit paras; and, concluded that the matter needed detailed examination by the Government at the appropriate level. The Committee accordingly deferred consideration of Audit paras, and directed that a Committee consisting of Chairman P&D Board (Chairman) and Secretaries of Health, C&W and Finance Departments would consider all the issues, and submit a report to the PAC within two months. Assembly Secretariat was directed to make a self-contained reference to the Government in this connection. **The paras were kept pending.**

(Highways Departments)

1. Para I-A-3: Page 97; Excessive Quantities Rs.1,014,741/-

11-7-2001: The Department explained that the matter was pending adjudication in the Lahore High Court, Lahore. Further, the Governor's Inspection Team was also probing into this case. The Department requested the Committee to pend consideration of this para. **The para was kept pending.**

2. Para 1-A-4: Page 98 Excessive Quantities-Rs.520,835/-

30-8-2001: The Para was considered on August 30, 2001 and again on August 31, 2001.

The Department contended that the basis of Audit Para was incorrect and the actual position was quite the opposite, i.e. the quantities of items with higher rates had been increased.

Audit insisted on production of comparative statement on the basis of DNIT.

The Committee advised that Audit should verify the quantities and rates of three items i.e. Regular Excavation, Embankment and Wet excavation. **The para was kept pending.**

3. Para 1-A-6: Page 99; Excessive Quantities-Rs.60,448/-

30-8-2001: The Department explained that the excess payment pointed out by Audit had been adjusted.

The Committee directed the Department to get the relevant record verified by Audit. **The para was kept pending.**

4. Para 1-A-9: Page 100 Excessive Quantities-Rs.51,207/-

10-7-2001: Audit reported that the Highway Division Rajanpur commenced road work in the absence of detailed T.S. Estimate. Moreover, earth work to the extent of 1,298,440 c.ft. was measured and paid against the admissible quality of 1,075,800 c.ft. which was provided in the rough cost estimate.

The Department explained that the quantity of earth work provided in the rough cost estimate was only for estimation. The work was got executed as per site requirement. The post facto technical sanction was issued to fulfill the requirement of the Rules.

The Committee observed that an irregular procedure had been followed and directed that disciplinary action should be taken against the officers responsible for the irregularity and the irregularity may be got regularized from the Finance Department. **The para was kept pending.**

5. Para 1-B-2: Page 102; Excessive Measurements-Rs.12,230,344/-

30-8-2001: The Para was discussed on August 30, 2001 and again on August 31, 2001.

After detailed discussion on the matter in the light of the Departmental explanation and Audit comments the Committee directed that the Department should move a summary to the Governor for entrusting the inquiry into this para to the Governor's Inspection Team, and the terms of reference of inquiry should be framed in consultation with Director General Audit Punjab and should also be incorporated in the summary. **The para was kept pending.**

6. Para I-B-3: Page 102; Excessive Measurements Rs.140,791/-

9-7-2001: The para was discussed by the Committee on July 9, 2001 and again on July 10, 2001.

It was directed that the matter should be referred by the Department to the Standing Rates Committee who should give its decision within a month. **The para was kept pending.**

7. Para I-B-4: Page 103 Excessive Measurements Rs.57,931/-

11-7-2001: The Department explained that over-payment of Rs.57,931/- pointed out by Audit on account of wrong conversion factor had been incorporated in the Measurement Book. However, an appeal had been filed by the Department on July 21, 1999 in the Supreme Court against the decision of the High Court for recovery of 10% penalty alongwith 3% stamp duty. Next date of hearing was yet to be fixed. **The para was kept pending.**

8. Para I-C-1: Page 103 Payments at Higher Rates Rs.532,410/-

11-07-2001: Audit pointed out that the Department paid incorrect rate for carriage of filth and garbage which resulted in an excess payment of Rs.532,410/-.

The Department explained that during the improvement of Jaranwala Road, the problem of removal of garbage/filth cropped up and the case was sent to SE concerned who accorded the sanction for this item which could not be foreseen while inviting the tenders.

The Committee took serious note of the fact that the Department had not made any mention about recovery of the amount from the contractor in the working paper of the previous meeting held on March 30, 2001 and appeared to have deliberately concealed full facts from the Committee.

The Administrative Secretary was directed to conduct an inquiry, fix responsibility and take steps to recover the amount of Rs.532,410/- from the defaulters. **The para was kept pending.**

9. Para 1-C-3: Page 104; Excessive Measurements-Rs.147,882/-

30-8-2001: After verification of record Audit reported that the work was still in progress and the accounts of the Contractor had not yet been finalised. The recovery of Rs.96,446/- stated to have been made could not therefore be verified.

The Department explained that the case was sub-judice in Civil Court, Lahore and also in arbitration. Because of this, the accounts could not be finalized. **The para was kept pending.**

10. Para I-D-2: Page 105; Double Measurements Rs.200,334/-

11-7-2001: The Department contended that the record was produced to Audit during 9 to 13 March, 2001, and total recovery was got verified,

yet Audit insisted that only an amount of Rs. 1,17,000/- had been verified leaving a balance of Rs. 83,334/-.

The Committee directed that Audit and the Department should re-examine the whole matter on the basis of record and action should be taken accordingly before the next meeting to be held in August, 2001. **The para was kept pending.**

11. Para 1-F-1: Page 106 Payment of Excessive Premium-Rs.274,715/-

18-10-2001: The Department explained that the case had been referred to the Finance Department for regularization. The Committee observed that the Department had failed to take this action even after the DAC meeting held as far back as 1984. The XEN concerned would also be given show cause notice to explain his position in exceeding his powers. The Committee directed that action should also be taken against the Divisional Accountant, by the concerned Department. **The para was kept pending.**

12. Para II-A-1: Page 108; Rental and Hire Charges Rs.93,018/-

31-8-2001: The Department explained that the amounts were recoverable from the sister Highway Divisions and the recovery was being pursued.

The Department was directed to complete the recovery and other necessary action expeditiously. **The para was kept pending.**

13. Para II-A-2: Page 108; Rental and Hire Charges Rs.1,725,803/-

31-8-2001: The Department explained that the rental charges of Rs.725,000/- had been recovered and balance amounts of Rs.654,140/- and Rs.234,510/- had also been deducted from the contractors' bills; the record had been produced to Audit for verification on August 7, 2001. The balance amount would also be recovered shortly.

The Committee directed that the Department should pursue for balance recovery and get the recovery record verified by Audit. **The para was kept pending.**

14. Para II-A-3: Page 109; Rental and Hire Charges-Rs.174,400/-

31-8-2001: The Department explained that the recovery of Rs.153,020/- had been effected and the balance recovery of Rs.21,380/- was being pursued. **The para was kept pending for balance recovery and verification by Audit.**

15. Para II-A-4: Page 109 Rental and Hire Charges-Rs.84,592/-

30-8-2001: The Department stated that this para consisted of two Advance Paras and explained as under:-

Advance para 59 - Rs. 45,320/-

The Department explained that the actual recoverable amount was Rs.21,900/- which would be recovered shortly.

Advance Para 64 - Rs.39,272/-

The Department explained that the actual recoverable amount was Rs. 8,937/- and efforts were being made to recover the same.

The Committee directed that the reduction in the amounts should be got verified by Audit and recovery should be expedited. **The para was kept pending.**

16. Para II-A-6: Page 110; Rental and Hire Charges-Rs.1,371,633/-

10-7-2001: The Department explained that the balance amount (Rs.795,779) was recoverable from sister Divisions, and the recovery was being pursued by submitting duplicate bills to them.

The Committee directed that the recovery should be made from the concerned officers, besides taking appropriate action against them, before the next meeting to be held in August 2001. **The para was kept pending.**

17. Para II-A-7: Page 111; Non-recovery of Rental and Hire Charges Rs.152,489/-

10-7-2001: As per Audit para hire charges of Rs.63,736/- were recoverable from a contractor who defaulted, and after completion of the work at his risk and cost, the final bill worked out to minus Rs.152,489/-.

The Department explained that the recovery from the contractor was being pursued as arrears of land revenue.

The Committee directed that recovery should be pursued and action should be taken against officers responsible for delayed action. **The para was kept pending.**

18. Para II-B-1: Page 112; Outstanding Government Dues-Rs.200,686/-

30-8-2001: The Department explained that out of total sum of the Para, an amount of Rs.46,618/85 related to non-adjustment of manufacturing accounts for the years 1987-88 and 1988-89 and efforts were being made to recover the same.

The Department added that a further amount of Rs. 154,067/06 was recoverable from various officers/officials, out of which an amount of Rs. 11,558/- had been recovered and the recovery of the balance amount was being pursued.

The Committee directed that appropriate action should be taken against those who were responsible for non-adjustment/non-recovery of the government dues and action for recovery or write-off should also be expedited. **The para was kept pending.**

19. Para II-B-2: Page 112; Outstanding Government Dues Rs.2,000,000/-

9-7-2001: The para was discussed by the Committee on July 9, 2001 and July 10, 2001.

The Department explained that in the 2nd revised PC-I, which was unsigned, it was provided that since the Railways had refused to bear the cost of bridge, it should be borne by the Communications and Works Department.

The Committee directed that the Department should obtain revised Administrative Approval to cover the construction of the bridge and bearing of its costs by the Communication & Works Department. **The para was kept pending.**

20. Para II-B-3: Page 113; Outstanding Government Dues-Rs.659,611/-

9-7-2001: The Department explained that efforts for early recovery of the balance amount were under way.

The Committee directed the Department to take disciplinary action against the officers responsible for failure to recover the outstanding dues placed in "P.W. Advance" over a long period and make strenuous efforts to effect the recovery. **The para was kept pending.**

21. Para II-B-4: Page 113; Outstanding Government Dues Rs.6,836,609/-

11-7-2001: The para relates to the outstanding dues placed in "Misc. P.W. Advance" as recoverable from contractors/sister Divisions. The Department stated that Rs.817,306/- had been adjusted and the amount of the para had been reduced to Rs.6,018,677/-. Efforts were being made to recover/adjust the balance.

The Committee took serious note of the fact that the Department had not taken any action against the persons who were responsible for delay in the recovery of the outstanding government dues since 1995.

The Committee directed that action should be taken against the persons at fault and recovery of the outstanding amount be effected, before the next meeting to be held in August 2001. **The para was kept pending.**

22. Para II-C-2: Page 115; Non-recovery of Compensation Amounting to Rs.195,751/-

10-7-2001: The Department explained that the work was completed at the risk and cost of the original contractor and the differential cost worked out to Rs.327,148/- which was recoverable from him. By adjustment of his security and dues, the net recoverable amount was Rs.251,998/- The contractor had lost his civil suit, as well as the appeal and now the amount would be recovered from him as arrears of land revenue and Deputy Commissioner, Layyah had been moved to effect the recovery. **The para was kept pending.**

23. Para II-D-1: Page 116; Lease of Petrol Pumps Rs.136,585/-

9-7-2001: The Department explained that the inter-court appeal filed by the Pakistan State Oil Company, from whom the amount was recoverable, had recently been decided by the Lahore High Court, in favour of the government and the certified copy of the judgement had been applied for. However, the party had right of appeal in the Supreme Court. **The para was kept pending till final decision /recovery.**

24. Para II-D-2: Page 116; Lease of Petrol Pumps Rs.523,520/-

10-7-2001: The Department explained that the recovery of lease money of Petrol Pumps from the Oil Company was being pursued vigorously. The Committee directed that the recovery should be effected before the next meeting to be held in August 2001. **The para was kept pending.**

25. Para II-D-3: Page 117; Lease of Petrol Pumps-Rs.252,200/-

10-7-2001: The Department explained that the matter of recovery of lease money of Petrol Pumps from the Oil Companies was sub-judice. **The para was kept pending.**

26. Para II-E-2: Page 118; Non-recovery of Cost of Material-Rs.173,000/-

11-7-2001: Audit pointed out that the amount of this para had been reduced to Rs.60,000/- in DAC meeting held in July 1997.

The Department contended that recovery was unjustified because the amount of Rs.60,000/- related to dismantling of material which had already been credited to the scheme.

The Committee directed that the matter may be probed to fix responsibility and effect recovery. The Committee further directed that if it was found that it was not possible to recover the amount from the contractor, it should then be recovered from the officers at fault. The necessary action should be taken before the next meeting of the Committee to be held in August 2001. **The para was kept pending.**

27. Para II-F-2: Page 119 Professional/ Income Tax Rs.180,000/-

11-7-2001: The Department and Audit were advised by the Committee to examine whether the deduction of Professional Tax from the contractors at source was legally the liability of the Department. Report in the matter should be made to the Committee in the next meeting to be held in August 2001. **The para was kept pending.**

28. Para II-G-1: Page 120; Cost of Empty Tar Drums Rs.302,513/-

9-7-2001: The Department explained that the recovery of Rs.169,550/- was got verified by Audit on June 12, 2001 and an amount of Rs.52,275/- had been realized from auction of empty tar drums and efforts were being made to make the balance recovery of Rs.35,625/-.

The Committee directed the Department to get the recovery verified by Audit and take disciplinary action against the officer concerned besides effecting the balance recovery. **The para was kept pending.**

29. Para II-G-2: Page 120; Cost of Empty Tar Drums Rs.163,100/-

10-7-2001: The Department explained that the Secretary, Communications & Works had held Mr Abdul Jabbar, Sub-Engineer, responsible for shortage of various quantities of bitumen and empty tar drums worth Rs.1,079,785/- (involved in 3 paras), which would be recovered from him as arrears of land revenue and D. C. Layyah had been moved to make the recovery. **The para was kept pending.**

30. Para II-H-1: Page 121; Risk and Cost Charges-Rs.12,885,353/-

31-8-2001: The Department explained that the case is subjudice and the next date of hearing had been fixed for September 15, 2001, and recovery from the contractor would be made after final decision of the court. However, an amount of Rs.2.077 million was available with the

Department in the form of security deposit of the contractor.

The Committee directed the Department that the record of the cases should be produced to Audit and the Court case should be properly pursued. **The para was kept pending.**

31. Para III-A-I: Page 122; Acceptance of Tenders at Higher Rates-Rs.59,534,794/-

10-7-2001: The Department explained that foreign funded schemes were regulated under a separate set of instructions prescribed by the Planning and Development and Finance Departments. Administrative Approval was not issued for individual works. All estimates are prepared by consultants and an umbrella approval was provided for all components. Tenders were also accepted with the approval of consultants and donor agencies.

The Committee directed that the relevant documents should be shown to Audit. **The para was kept pending.**

32. Para III-A-2: Page 122; Acceptance of Tenders at Higher Rates-Rs.256,729/-

11-7-20001: Audit pointed out that the division accepted tenders at 16.84% above the technically sanctioned estimate instead of the permissible limit of 4.5% which resulted in a loss of Rs.256,729 to the government in November 1990.

The Department explained that the total expenditure did not exceed 15% of the cost of work.

The Committee directed the Administrative Secretary to inquire into the matter for determining the actual amount of excess expenditures and recovery should be made from the persons at fault. The recoverable amount should be determined by the Administrative Department and got verified by Audit. **The para was kept pending.**

33. Para III-A-3: Page 123; Acceptance of Tenders at Higher Rates Rs.660,633/-

11-7-2001: Audit had pointed out that tenders had been accepted (highest) at 15% higher than the Administrative Approval.

The Department contended that the amount of the accepted tender was within 4.5% of the T.S. estimates.

The Committee directed that Audit should examine and report to the Committee on the basis on which calculations of AA, TS and expenditure had been made. The Department was also directed to produce the relevant record to Audit for verification. **The para was kept pending.**

34. Para III-B-1: Page 124; Non-execution of Work Having Lesser Rates-Rs.558,989/-

31-8-2001: The Department explained that payment for the culvert had not been made and no loss was involved. The Department explained that a land-owner filed a civil suit against construction of culvert in front of his Dera. The suit was decided in his favour on September 28, 1989 with the order that instead of the culvert cause-way should be constructed at that site. After that the contractor filed a civil suit for allowing him new rates for construction of the cause-way or to finalize his contract. The suit was decreed in his favour on January 8, 1994. The Department lost its appeal in the Court of Additional District and Session Judge and its appeal in the Lahore High Court admitted on May 7, 1999 was still pending. The Administrative Secretary was asked to review the basis of the appeal. **The para was kept pending.**

35. Para III-B-2: Page 124; and 125 Non-execution of Work Having Lesser Rates-Rs.239,250/-

31-8-2001: No details had been given by the Department in the Working Paper. The Committee directed that the Department should give full facts and figures of the case and its considered opinion in the matter in a revised Working Paper. **The para was kept pending.**

36. Para III-C-1: Page 126; Non-disposal of Material-Rs.8,235,000/-

31-8-2001: The Department explained that the total number of trees taken up for removal in the estimate prepared by the Highways Department was 1648. Conservator, Forest Lahore accorded Technical Sanction for the removal of 1181 trees, and a Committee comprising officers of Forest and Highways Departments approved the removal of 975 trees while 669 trees were uprooted by the contractor of Highways Department. The remaining 306 trees were uprooted by Forest Department through their contractor.

The Committee directed the Department to produce the relevant record to Audit for verification and comments. **The para was kept**

pending.

37. Para III-C-2: Page 126; Non-disposal of Material-Rs.1,138,800/-

31-8-2001: The Department explained that action for the disposal of empty bitumen drums was in process and would be completed shortly. **The para was kept pending.**

38. Para III-D-2: Page 128; Non-imposition of Penalty Rs.315,713/-

10-7-2001: The Department explained that the work was completed at the risk and cost of original contractor. The final bills of the both contractors were under process. The total amount to be recovered was calculated as Rs.226,377/-. The Department further explained that the Chief Engineer Highways (South) had recommended disciplinary action against the concerned SDO under E&D rules.

The Committee directed that all documents/calculations should be shown to Audit for verification. Disciplinary action should be taken against the officer responsible for delay in action and the recovery be effected expeditiously. **The para was kept pending.**

39. Para III-D-3: Page 128 Non-imposition of Penalty-Rs.138,127/-

10-7-2001: Audit reported that Highway Division Bhawalpur had failed to execute the work within the stipulated period and, in contravention of clause 39 of contract agreement neither was penalty imposed nor extension granted to the contractor.

The Department pointed out that on the advice of the DAC, held in April 1996 Superintending Engineer, Highways Circle Bahawalpur, had assented to the finalization of the contract with reduced scope of work leaving out the items of road furniture originally included in the contract.

The Committee observed that the ex-post facto sanction of the Competent Authority in this case for deletion of items, should be obtained and shown to Audit. **The para was kept pending.**

40. Para III-E-1: Page 129; Non-recovery of Operation Charges-Rs.297,706/-

31-8-2001: The Department requested for two months time for adjustment of accounts relating to the Scheme completed prior to 1982. **The para was kept pending.**

41. Para III-E-2: Page 129 Non-recovery of Operation Charges-Rs.2,046,267/-

10-7-2001: The Department explained that the record was got verified by Audit, in May 2001 and the amount of the para was reduced to Rs.638,145/- which was recoverable from sister Divisions.

The Committee directed that the recovery should be made from the officers concerned, besides taking appropriate action against them, before the next meeting to be held in August 2001. **The para was kept pending.**

42. Para III-F-2: Page 130 & 131 Misappropriation of Material/ Equipment for Rs.432,897/-

10-7-2001: The Department explained that the equipment in question was in the charge of the Department but given to contractors for use from time to time for execution of projects financed by the Asian Development Bank. However, during discussion it transpired that the equipment had not been entered in the stock records.

The Committee directed that the equipment should be entered in the stock registers and its physical presence verified by a responsible officer and the record should be produced to Audit for verification. **The para was kept pending.**

43. Para IV-A-I: Page 134; Payments in Excess/Without Funds-Rs.5,008,653/-

17-10-2001: The Committee was not satisfied with the explanation of the Department given in the working paper and directed that an inquiry should be held into the irregularity pointed out in Audit para. All concerned officers including XEN & SDO and Divisional Accountant should be called upon to explain. Director General Works Audit should be written to take action against the Divisional Accountant. **The para was kept**

pending.

44. Para IV-B-1; Page 136; Enhancement of Agreements-Rs.17,340,535-.

17-10-2001: The Department explained the matter was already under inquiry and point raised in this para would be considered in the said inquiry.

The Department was directed to complete the requisite action expeditiously. **The para was kept pending.**

45. Para IV-B-2: Page 137; Enhancement of Agreement- Rs.290,000/-

10-7-2001: Audit pointed out that Highways Division Rahim Yar Khan unauthorisedly enhanced the amount of agreement from Rs.1,200,000/- to Rs.1,490,000/-.

The Department explained that enhancement of agreement granted by the XEN was confirmed and regularized by the Superintending Engineer, Highways Circle, Bahawalpur. However, during discussion it transpired that tender was floated for Rs.12.00 lacs. and contract agreement was also made for Rs.12 lacs.

The Committee observed that there were sufficient reasons to suspect that the comparative statement for higher amount had been manipulated.

The Committee directed that the Department should hold an inquiry into the matter and take action against officers found responsible for the irregularity. **The para was kept pending.**

46. Para IV-F-1: Page 140; Expenditure in Excess of Administrative Approval-Rs.16,561,632/-

9-7-2001: The Department explained that the scheme was administratively approved for Rs.14,468,000, while the total expenditure was Rs.16,561,632/- resulting in the excess of 14% over Administrative Approval which was within the permissible limit of 15%.

Audit pointed out that the actual expenditure was Rs.17,100,000/- which was 20% in excess of the Administrative Approval.

The Committee directed the Department to take disciplinary action against the officers responsible for excess expenditure. The actual expenditure should be reconciled with Audit. Reasons for delay in taking appropriate action since 1982-83 should be given. Action should also be taken for providing wrong figures in the working papers. **The para was kept pending.**

47. Para V-A-1: Page 141; Undue Financial Aid-Rs.11,295,631/-

17-10-2001: The Department admitted that full payment was to be made after obtaining the Bank Guarantee, but no Bank Guarantee was available on record. The Committee observed that the explanation given in the Working Paper was different from this statement. Administrative Department was directed to re-examine the case and take action accordingly and explain full facts in the Working Paper for the next meeting. **The para was kept pending.**

48. Para V-B-1: Page 142; Payment of Excessive Quantities-Rs.1,427,504/-

18-10-2001: The Committee directed the Department to get the relevant record verified by Audit to prove its contention given in the Working Paper. **The para was kept pending.**

49. Para V-D-1: Page 143; Unauthorized Payment of Price Variation Rs.1,084,178/-

11-7-2001: Audit pointed out that the Department made payment on account of escalation for cement and steel to the contractor in the running bill in contravention of the instructions of the Finance Department issued in April 1992.

The Department explained that in the light of the DAC meeting held on 25 and 26 July, 1997 the case had already been sent to the Finance Department for clarification. It was further explained that the Department had filed an appeal on July 21, 1999 in the Supreme Court against the decision of the High Court for recovery of 10% penalty along with 3% Stamp Duty, but no date had yet been fixed for hearing.

The Committee directed Audit to look into the matter and report whether the practice of allowing escalation on running bill, was prevalent

before 1992. **The para was kept pending.**

50. Para V-F-1: Page 145; Payment for Deleted Work Rs.56,099/-

11-7-2001: Audit pointed out that the Department had executed certain items of works for bridge structure which had been scored out from the detailed technical estimate sanctioned by the Chief Engineer.

The Department explained that the work was carried out against saving of 10 ft. span culverts. The Committee observed that the work was executed without prior Technical Sanction; rather TS had not been obtained so far.

The Committee directed the Department to investigate into this case and take action against the officers at fault under the law/rules. **The para was kept pending.**

(Annexure Paras) (Highways Department)

1. Para I-I (1987-88): Page 369; Serial 1, Non-recovery of Government Dues-Rs.904,454/-

18-10-2001: The Committee observed that the Department had not pursued the recovery persistently. The Department had also shown gross negligences in implementing the direction of the PAC.

The Department was directed to effect the recovery and take action against the persons responsible for delay in recovery as well as for neglecting PAC's directives. Action be completed within 3 months. **The para was kept pending.**

2. Para I(9)(1987-88): Page 369; Serial 2, Non-recovery of Government Dues of Rs.274,000/-

10-7-2001: Audit reported that the Department had failed to recover the balance amount of Rs.139,339/- in compliance of the PAC directive dated July 28, 1996.

The Department explained that the matter had been referred to the DC/Collector, Faisalabad for recovery as arrears of land revenue.

The Committee directed that proper procedure should be adopted for recovery and action should be taken against the officers responsible for not making the recovery at the proper time. **The para was kept pending.**

3. Para I(11)(1987-88): Page 369; Serial 3, Non-recovery of Government Dues of Rs.556,224/-

10-7-2001: On July 28, 1996 the previous PAC had directed for the balance recovery of Rs.48,000/-.

The Department explained that the balance amount of Rs.48,000/- was recoverable from Mr Khurshid Anwar Khan, Sub-Engineer since compulsorily retired, in some other case.

During discussion it transpired that no inquiry had been held to fix the responsibility in this case.

The Committee directed that proper procedure be adopted for fixing responsibility for recovery and taking action against officers responsible for not making recovery at the proper time. **The para was kept pending.**

4. Para I(12)(1987-88): Page 369; Serial 4, Non-recovery of Government Dues of Rs.216,000/-

10-7-2001: On July 28, 1996 when the para was last discussed by the PAC, the case was said to be sub-judice. The Department explained that Sub-Engineer, Talib Hussain was held responsible for the shortage of empty tar drums. He filed a civil suit which was decided in his favour on October 26, 1993. The appeal filed by the Department was pending with the Additional District & Sessions Judge and the next date of hearing was July 16, 2001. **The para was kept pending.**

5. Para I(13)(1987-88): Page 369; Serial 5; Non-recovery of Rs.1,229,078/-

10-7-2001: The Department contended that the original amount of the para, i.e. Rs.479,000/- had been recovered/adjusted and verified by Audit. The Department further contended that the amount of the para was enhanced by Audit from Rs.479,000/- to Rs.1,229,078/- on account of minus bill of the contractor which had been taken up in Draft Para 1-8 of 1989-90.

The Department was directed to thrash out the matter with Audit and take action accordingly. The plea of the Department to delete the para, was not accepted. **The para was kept pending.**

6. Para 1-22(1987-88): Page 370; Serial 12, Loss to Government-Rs.1,570,475/-

10-7-2001: The Department explained that as per direction of PAC dated July 28, 1996 an inquiry was held and as a result the actual outstanding amount was determined at Rs.686,111/-. After that the record pertaining to the amount of Rs.513,638/- was also got verified from Audit.

The Committee directed that the balance recoverable amount should be reconciled with Audit and realized from the Divisions concerned. **The para was kept pending.**

7. Para II(1) (1987-88): Page 370; Serial 13, Excess Payment-Rs.6,776,336/-

18-10-2001: Audit pointed out that the balance recovery of Rs. 33,000/- was still outstanding.

The Department explained that the balance amount would be recovered before the next meeting. **The para was kept pending.**

8. Para III(1) (1987-88): Page 371; Serial 17, Infructuous/Un-justified Payment-Rs.43,586,520/-

18-10-2001: Audit pointed out that the Department had failed to produce the complete record to Audit.

The Committee directed the Department to produce all the requisite record within 10 days to Audit and action should be taken against the persons responsible for delay in implementing the directive of the PAC. The action should be finalised within 3 months. **The para was kept pending.**

9. Para III-5(1987-88): Page 371; Serial 18, Fictitious Payment of Rs.10,885/-

10-7-2001: The Department explained that before ordering recovery in the light of directives of PAC dated December 21, 1995 and July 28, 1996, an inquiry was held which had concluded that the defects of the machinery were such that the machinery could work pending repairs. However, the repair casting Rs.190/- was held un-necessary and the same amount had been recovered.

The Committee directed that the inquiry report should be shown to Audit. **The para was kept pending.**

10. Para V-2(1987-88): Page 371; Serial 21; Misappropriation of Machinery Rs.129,048/-

10-7-2001: The Department explained that the original record was with the Anti-Corruption Establishment and could not be retrieved in spite of best efforts. However, the photocopies of the concerned log books were available. The Department further explained that an inquiry was ordered against the responsible persons and the inquiry proceeding had not yet been finalized by the inquiry officer.

The Committee directed that attested copies of the Log Books should be produced to Audit for examination, as well as the Inquiry Report. **The para was kept pending.**

(EDUCATION ENGINEERING CELL)

1. Para II-1: Page 360; Losses to Government-Rs.217,431/-

23-7-2001: The Committee observed that the issue involved in this para was the same as that in para III-A-7 (see Sr. No. 24, under paras pending of the Buildings Department) and decided that the same direction as given in para III-A-7 should apply to para II-1. **The para was accordingly kept pending.**

2. Para III-1: Page 361; Irregular Expenditure Rs.640,171/-

29-8-2001: The Department explained that the explanation of the concerned XEN for the irregular expenditure pointed out in this para had

been called for. The Department had also requested the Education Department to accord Administrative Approval for the schools in question and the matter would be referred to Finance Department for regularization. **The para was kept pending.**

Note: As a result of transfer of para Nos.II-1 and III-1 from Education Department to C&W Department, the Working Papers in respect of the said paras were prepared and explained by the C&W Department before the Ad hoc PAC.

EDUCATION DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
72	66	6	--	--

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 48	Paras finally settled as the requisite action had been taken.	Civil: 5.8, 5.9, 5.10, 5.12, 5.13, 5.14, 5.16, 5.20, 6.1 6.2, 6.3, 6.4, 6.6, 6.7, 6.9, 7.2, 7.3, 7.5, 7.7, 7.9, 7.10, 7.11, 7.12, 7.13, 7.14, 7.19, 7.22, 7.23, 7.24, 7.25, 7.26, 7.27, 7.30, 7.32, 7.33, 7.34, 7.36, 7.37, 7.38, 7.39, 7.40 and 7.41.	42	163-173
		Commercial: 51, 52, 53, 54, 55 and 56	6	173-176
Paras Conditionally Settled 10	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 5.5, 5.11, 5.17, 5.18, 6.8, 7.4, 7.8, 7.15, 7.16 and 7.35.	10	177-182
		Commercial:		
Paras Pended 14	Paras pended as the Department had not taken satisfactory action.	Civil: 5.3, 5.4, 5.7, 5.19, 6.5, 7.1, 7.6, 7.17, 7.18, 7.20, 7.21, 7.28, 7.29 and 7.31.	14	183-190
		Commercial:		
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial:		

Discussed on 23-24 February, 28-30 June, 21-23 August, 4 October and 24 December 2001

Paras Finally Settled

(Civil Audit)

1. Para 5.8: Page 53; Non-adjustment of Advances for Rs.5,603,945/-

23-8-2001: The Department explained that the advances had since been adjusted. The Committee directed that for proper financial control and discipline, the procedure for advances and adjustments should be got approved by the Syndicate. There should be a time-limit in adjustment of advance but all advances should preferably be adjusted in the same financial year. **The para was settled.**

2. Para 5.9: Page 53; Misappropriation of Fertilizers Worth Rs.114,256/-

22-8-2001: The Department explained that although entries were not made in the stock register due to ignorance of the officials, the details of consumption of fertilizer in crops were available.

The **para was settled** with the observation that stock registers should be properly maintained in future.

3. Para 5.10: Page 54; Irregular Expenditure of Rs.180,940/- without Budget Provision

22-8-2001: The para was discussed on 22 and 23 August 2001.

Audit had objected to the engagement of regular staff for part-time assignments on payment basis. The Department explained that such a practice was in vogue in all universities, due to shortage of teaching staff.

The Finance Department stated that regular employees were not entitled to receive payment for part-time teaching in the same institution.

The Committee directed that proper rules should be made within six months for regularising this practice, if necessary in the public interest. **The para was settled.**

4. Para 5.12: Page 55; Irregular Drawal of Rs.49,480/- Without Approval of the Competent Authority

23-8-2001: The position had been verified by Audit. **The para was settled.**

5. Para 5.13: Page 55; Irregular Drawal of Rs.187,104/- for Sui Gas Security

23-8-2001: The Department admitted that the security to Sui Gas Department had been paid from the head "Maintenance of Building" instead of "Services" as the requisite amount was not available in the latter Head.

The Committee directed that the expenditure should be got regularized by the Syndicate. The Committee further directed that the residences located in the University premises should be provided with independent sui-gas meters. **The para was settled.**

6. Para 5.14: Page 56; Overpayment of Rs.200,863/- on Account of Undue Benefit of Ph. D. Allowance to the Teachers Holding Degrees of M.Phil/LLM.

23-8-2001: Audit had verified that the lecturers in question had drawn M. Phil/LLM Allowance as per sanction of the Finance Department and had not been allowed advance

increments. **The para was settled.**

7. Para 5.16: Page 57; Excess Payment of Rs.60,918/- for Purchase of Books-recovery thereof

23-8-2001: The Department admitted that excess payment had been made to the book seller due to miscalculations in several bills, but the same had been adjusted against the subsequent bills of the said bookseller and the officer responsible for mistake had been “censured”. The Committee observed that the accounting and financial controls and checks system apparently needed to be tightened. **The para was settled.**

8. Para 5.20: Page 59; Loss of Rs.107,192/- Due to Payment of Conveyance Allowance to the Teaching Staff During Summer Vacations

23-8-2001: The Department explained that recovery on account of overpayment of conveyance allowance had been made in full and got verified by Audit. **The para was settled.**

9. Para 6.1: Page 63; Irregular Appointments Involving Expenditure of Rs.245,583/-

24-2-2001: The Committee decided that the following observations made by it on Para 7.12 shall apply to this para also.

24-2-2001: Audit reported that certain appointments were made without obtaining NOC from S&GAD (Welfare Wing) in violation of letters issued from time to time for adjustment of surplus staff.

The Department replied that appointments throughout the Punjab were made against the vacancies (B-1 to 15) in accordance with SGA&I Department (Regulation Wing) letter dated August 10, 1993.

The Committee observed that the confusion about the recruitment policy had arisen by issuance of separate instructions by two Wings of the S&GAD, on the same subject. The Committee recommended that the Government should see that in future Government instructions on all aspects of the recruitment policy are issued by one and the same wing. **The para was settled with the above observation.**

10. Para 6.2 Page 63; Wastage of Government Funds Worth Rs.2,612,641/-

24-2-2001: Audit reported that a school was established without planning and feasibility reports which resulted into wastage of government funds amounting to Rs.261,264/-.

The Department replied that the previous building was insufficient for high school and in dangerous condition. The newly constructed building for higher secondary school is being used for high classes.

The Committee observed that it was a wrong decision of the Competent Authority which reflects bad planning and mismanagement. **The para was, however, settled.**

11. Para 6.3 Page 64; Irregular Expenditure on Account of Purchase of Furniture and Library Books Worth Rs.300,000/-

24-2-2001: Audit reported that irregular expenditure on account of purchase of furniture

and library books worth Rs.300,000/- was incurred beyond competency and without observing codal formalities.

The Department explained that the furniture was purchased after observing all codal formalities and the books were purchased from National Book Foundation, Multan which is a Government Agency. The entire purchase was made through the School Purchase Committee which had full powers to make the purchase.

The Committee observed that in order to enforce more effective internal control in financial matters, the Education Department may create an internal Audit Cell within its available resources as had been done by the Health Department. **The para was settled with the above observation.**

12. Para 6.4 Page 65; Irregular Expenditure of Rs.79,812/- on Account of Irregular Appointment

24-2-2001: The Committee decided that the following observations made by it on Para 7.12 shall also apply to this para also.

24-2-2001: Audit reported that certain appointments were made without obtaining NOC from S&GAD (Welfare Wing) in violation of letters issued from time to time for adjustment of surplus staff.

The Department replied that appointments throughout the Punjab were made against the vacancies (B-1 to 15) in accordance with SGA&I Department (Regulation Wing) letter dated August 10, 1993.

The Committee observed that the confusion about the recruitment policy had arisen by issuance of separate instructions by two Wings of the S&GAD, on the same subject. The Committee recommended that the Government should see that in future Government instruction on all aspects of the recruitment policy are issued by one and the same Wing. **The para was settled with the above observation.**

13. Para 6.6 Page 66; Irregular and Unjustified Drawal of Pay and Allowances of PTC Staff-Loss of Rs.287,908/-

24-2-2001: The explanation of the Department was accepted and the **para was settled.**

14. Para 6.7 Page 66; Irregular Payment of Salary Amounting to Rs.46,888/-

24-2-2001: The Department explained that irregular payment of salary to the actual extent of Rs.20,197/50 had been recovered. The Committee directed the Department to get the recovery and reduction in amount verified by Audit. The para was settled subject to verification by Audit.

28-6-2001: As per direction of the PAC dated 23-24 February 2001, Audit had verified the recovery. **The para was settled.**

15. Para 6.9 Page 67; Suspected Loss of Rs.384,000/- of Tuition Fee

24-2-2001: Audit pointed out a suspected loss of Rs.384,000/- on account of tuition fee as the Department had not produced the relevant record. The Department explained that the actual recoverable amount of Rs.237,440/- had been recovered.

The Committee directed that the recovery and reduction in amount be got verified by Audit. The para was kept pending.

28 & 30-6-2001: The Department explained that recovery of Rs.249,669/90 had been verified by DAO Sargodha and the record was available with the Department. The Department was directed to get the record verified within 2 days. On June 30, 2001, Audit reported that all recovery had been verified except the amount of Rs.4,840/-. **The para was settled.**

16. Para 7.2: Page 72; Irregular Expenditure of Rs.100,000/- Purchase of Books and Loss of Rs.2,500/-

28-6-2001: The Department explained that purchase had been made in the prescribed procedure and the para had been considered and settled in the SDAC meeting held on January 25, 1999 at D.G. Khan. **The para was settled.**

17. Para 7.3 Page 72; Irregular Expenditure of Rs.503,447/- on Account of Irregular Appointments

24-2-2001: The Committee decided that the following observation given on Para 7.12 shall also apply to this para.

24-2-2001: Audit reported that certain appointments were made without obtaining NOC from S&GAD (Welfare Wing) in violation of letters issued from time to time for adjustment of surplus staff.

The Department replied that appointments throughout the Punjab were made against the vacancies (B-1 to 15) in accordance with SGA&I Department (Regulation Wing) letter dated August 10, 1993.

The Committee observed that the confusion about the recruitment policy had arisen by issuance of separate instructions by two Wings of the S&GAD, on the same subject. The Committee recommended that the Government should see that in future Government instructions on all aspects of the recruitment policy are issued by one and the same Wing. **The para was settled with the above observation.**

18. Para 7.5: Page 74; Irregular Expenditure of Rs.100,000/- on Purchase of Library Books

28-6-2001: The Department explained that the para had already been settled in the SDAC meeting held on June 16, 1998 in Faisalabad, before conversion of the para into Draft Para. Audit had verified the fact. The Committee observed that the **para had already been settled by SDAC.**

19. Para 7.7: Page 75; Irregular Drawal of Government Money Rs.1,250,000/- and Misappropriation of Rs.40,576/-

23-2-2001: The Department explained that total amount of Rs.1,250,000/- (along with interest amounting to Rs.695,320/-) relating to college funds, had been deposited in the relevant fund account.

The Department further explained that after a Departmental Inquiry, Mr Munir Ahmad, Superintendent was held responsible for misappropriation of Rs.40,576/-. He died on January 17, 1996. The case had been moved for write off of the said amount to the Finance Department. Action under the Pension Rules against the then D.D.O. (since retired), who illegally opened the account in the Bank of Punjab which resulted into misappropriation of the amount, had been initiated.

The Department was directed to finalize the actions expeditiously.

The Committee observed that the Administrative Department should frame rules for the custody of the College Funds and maintenance of proper accounts. The para was kept pending.

30-6-2001: This para was considered with reference to the minutes of the PAC meeting held on February 23-24, 2001.

The para was settled subject to verification of deposit of total amount of Rs.1,250,000/- along with interest amounting to Rs.695,320/- to college funds.

The Committee, however, reiterated its previous observation that Government should make law/rules for operation of the College Funds.

23-8-2001: The Department explained that former DDO, Dr. Ghazanfer Hussain had been proceeded against under Rule 1.8(a) of the Punjab Civil Servants Pension Rules and a recovery of Rs.40,120/- had been ordered vide notification dated July 27, 2001. **The para was settled.**

20. Para 7.9: Page 76; Irregular Expenditure of Rs.79,880/- on Purchase of Stationery

28-6-2001: Audit reported that an amount of Rs.79,800/- was spent for purchase of stationery by splitting the indent.

The Department explained that item had been specifically shown in budget estimates, therefore, the sanction of the Director was in order. The Finance Department also supported the Department's contention. **The para was settled.**

21. Para 7.10: Page 77; Irregular Expenditure of Rs.99,975/- on Purchase of Stationery at Higher Rates and Recovery of Rs.24,834/-

29-6-2001: Audit had pointed out that the expenditure on the purchase of stationery had been split up to avoid sanction of the higher authority. The Department explained that the item was specifically shown in the budget estimates, therefore, the sanction of the Director was in order. The plea of the Audit about acceptance of higher rates than the market rates was not accepted by the Committee being irrelevant in the context. Similarly, the Committee found that there had been no tampering of record. **The para was settled.**

22. Para 7.11: Page 78; Irregular Expenditure of Rs.99,975/- on Purchase of Stationery

29-6-2001: The Department explained that the expenditure had since been regularized. The

Audit, however, pointed out that Income Tax had not been deducted. With the observation that a reference should be made to the Income Tax Department for further necessary action, **the Committee settled the para.**

23. Para 7.12 Page 78; Irregular Expenditure of Rs.1,086,524/- Due to Unauthorized Appointments

24-2-2001: Audit reported that certain appointments were made without obtaining NOC from S&GAD (Welfare Wing) in violation of letters issued from time to time for adjustment of surplus staff.

The Department replied that appointments throughout the Punjab were made against the vacancies (B-1 to 15) in accordance with SGA&I Department (Regulation Wing) letter dated August 10, 1993.

The Committee observed that the confusion about the recruitment policy had arisen by issuance of separate instructions by two Wings of the S&GAD, on the same subject. The Committee recommended that the Government should see that in future Government instruction on all aspects of the recruitment policy are issued by one and the same Wing. **The para was settled with the above observation.**

24. Para 7.13: Page 79; Irregular Purchase of Educational Material and Stationery Articles Worth Rs.728,880/-

29-6-2001: The Department explained that -

- (a) the expenditure had since been regularized by the Finance Department; and
- (b) that in future such a practice would not be resorted to.

The Committee directed the Department to issue clarification to all its formations about the government instructions/provisions of rules regarding competence for sanctioning expenditure and competence for making purchases. **With the above observations, the para was settled.**

25. Para 7.14 Page 80; Fraudulent Drawal of Rs.48,475/-

24-2-2001: Audit reported that a sum of Rs.48,475/- was drawn from the Government treasury on February 18, 1996. The Department replied that the said amount had been fraudulently drawn by Mr Ejaz Hussain Mazari, Ex-Senior Clerk, on account of salary of the period of his absence from July, 1994 to December 1995 through forged signatures of the Principals. Action was taken against the said official under E&D Rules and major penalty of removal from service was imposed. A case was also got registered against the accused official in the Anti-corruption Establishment, for recovery of the misappropriated amount.

Audit pointed out that the removal of the official had been made on the charge of wilful absence and not on the charge of misappropriation.

The Committee observed that the case had been mishandled by the Authority and directed that the Administrative Department should review the disciplinary proceedings with a view to seeing whether the Inquiry Officer, the Authorized Officer and the Authority had

watched public interest in dealing with this case. The Department was further directed to effect the recovery of the misappropriated amount. The para was kept pending.

30-6-2001: The para was considered in the light of direction of PAC dated 23-24 February 2001. Audit had verified recovery of Rs.48,475/-.

The Department explained that Mr Ijaz Hussain Mazari, ex-Senior Clerk who had fraudulently drawn the said amount had been removed from service. The Audit, however, pointed out that the Anti-corruption case against the accused was pending. The para was kept pending till decision of the Anti-corruption case.

23-8-2001: The Department explained that the amount of the para had been recovered and verified by Audit and the culprit was facing trial in Anti-Corruption Court. **The para was settled.**

26. Para 7.19: Page 82; Bogus Drawal of Pay Amounting to Rs.197,957/-

29-6-2001: The Department requested the Committee to pend this para until the next meeting to enable the Department to take necessary action and apprise the Committee about the details of this case. The para was kept pending.

22-8-2001: The Department explained that the recovery amounting to Rs.11,167/25 had been effected from the defaulters and deposited into Government Treasury.

Audit reported that there are 19 cases and many officers/officials are involved and a huge amount was recoverable.

The Committee directed that the Administrative Department and Audit should prepare a joint working paper after examining the whole record. The para was kept pending

24-12-2001: The para was considered in the light of the direction of the Committee dated August 22, 2001. As per latest comments of Audit the record had been verified by a Joint Committee comprising the Administrative Department and Audit. **The para was settled.**

27. Para 7.22: Page 84; Loss of Rs.112,543 on Account of Likely Pilferage of Stationery Articles

29-6-2001: The Committee observed that the text of Audit para Nos. 7.22, 7.23, 7.24, 7.25, 7.28, 7.29, 7.31, 7.33, 7.34, 7.35, 7.39, 6.5 had not been correctly reproduced in the working paper.

The Committee directed the Department to complete the necessary action and submit revised working paper for the next meeting with complete and correct text of the paras. The above mentioned paras were kept pending.

22-8-2001: The stock registers had since been verified by Audit and no discrepancy had been found. **The para was settled.**

28. Para 7.23: Page 84; Loss of Rs. 105,633 on Account of Likely Pilferage of Stationery Articles

29-6-2001: The Committee observed that the text of Audit para Nos. 7.22, 7.23, 7.24, 7.25, 7.28, 7.29, 7.31, 7.33, 7.34, 7.35, 7.39, 6.5 had not been correctly reproduced in the working

paper.

The Committee directed the Department to complete the necessary action and submit revised working paper for the next meeting with complete and correct text of the paras. The above mentioned paras were kept pending.

22-8-2001: Audit had verified the stock registers and no discrepancy had been found. **The para was settled.**

29. Para 7.24: Page 85; Loss of Rs. 568,175 Due to Likely Embezzlement of Salaries

29-6-2001: The Committee observed that the text of Audit para Nos. 7.22, 7.23, 7.24, 7.25, 7.28, 7.29, 7.31, 7.33, 7.34, 7.35, 7.39, 6.5 had not been correctly reproduced in the working paper.

The Committee directed the Department to complete the necessary action and submit revised working paper for the next meeting with complete and correct text of the paras. The above mentioned paras were kept pending.

22-8-2001: The Department explained that the amount of Rs.568,175/- drawn by AEO (W) Kallurkot from National Bank of Pakistan Bhakkar was snatched by the robbers on the way to Kallurkot. The Police had investigated the case and held the AEO(W) and her husband innocent in this case and dacoits had been declared untraceable. The Finance Department had released an additional amount for payment of salary to aggrieved employees.

In the Departmental inquiry, the findings of the Police Inquiry had been accepted. Finance Department had been moved to write off the loss. **The para was settled.**

30. Para 7.25: Page 86; Loss of Rs. 83,209 Due to Bogus Drawal of Pay and Allowances

29-6-2001: The Committee observed that the text of Audit para Nos. 7.22, 7.23, 7.24, 7.25, 7.28, 7.29, 7.31, 7.33, 7.34, 7.35, 7.39, 6.5 had not been correctly reproduced in the working paper.

The Committee directed the Department to complete the necessary action and submit revised working paper for the next meeting with complete and correct text of the paras. The above mentioned paras were kept pending.

22-8-2001: The Department explained that out of 3 appointees mentioned in this para, one was a regular appointee, one did not join or draw any salary and one appointee was irregular whose services had been terminated. The appointing authority was being proceeded against under the Pension Rules. **The para was settled.**

31. Para 7.26 Page 86; Due to Irregular Payment of House Rent Allowance and Non-deduction of House Rent

24-2-2001: Audit had reported that some Lady Teachers had been residing in government accommodation without surrendering their House Rent Allowance and without paying the prescribed House Rent @ 5% of the pay.

The Department explained that the said officers had been residing in single suite accommodation below their entitlement and paying rent @ Rs. 543/- PM as assessed by the

Buildings Department.

The Committee directed the Department to take action according to the Government rules or policy applicable to this case. The para was kept pending.

30-6-2001: This para was considered with reference to the minutes of the PAC meeting held on February 23-24, 2001.

The Department explained that if an officer was residing in single room below his entitlement he would pay the rent as assessed by the Buildings Department. Such an occupant may not surrender rent allowance or pay 5% of his pay to the government. The Audit, however, pointed out that said accommodation was not a single room accommodation.

The PAC reiterated its previous decision dated February 23-24, 2001 to the effect that the Department should re-examine all the aspects of the case and take action as warranted by law or rules. The Committee further observed that the Audit should inform the Committee as to what was the basis of its information that the said lecturers were living in the government quarters when there were no allotment orders. The para was kept pending.

23-8-2001: The Department explained that recovery of Rs.56,973/- made from four lecturers had been got verified by Audit, and the matter of recovery of Rs.97,268/- from three lecturers was sub-judice. The Committee observed that the law will take its own course and **decided to settle the para.**

32. Para 7.27: Page 87; Loss of Rs.116,380/- Due to Purchase of Stationery on Excessive Rates

29-6-2001: The Department explained that the case was under process with the Anti-corruption Establishment and the Challan had been submitted to Chief Secretary for approval. The para was kept pending.

22-8-2001: The Department explained that the tenders were invited by the Director which were to be received by the respective DDEOs. The DDEO, Rawalpindi did not receive any tender, and he relied on the rates accepted by DDEO, Taxila and made the purchase from the same bidder. **The para was settled.**

33. Para 7.30: Page 89; Payment of Rs.627,000/- to Promoters without Work

29-6-2001: The Department explained that the posts of promoters were sanctioned by the government and the pay of the appointees were validly drawn. Moreover, the posts had since been abolished. **The para was settled.**

34. Para 7.32: Page 90; Misappropriation of Stationery Costing Rs.136,274/-

29-6-2001: The Department explained that all the record was available and there was no misappropriation. Audit, however, informed the Committee that the Departmental representative had stated during the course of verification that all the relevant record had been taken over by the Anti-corruption Establishment, Rawalpindi.

The Committee directed the Administrative Secretary personally to look into the matter for taking appropriate action and submitting the correct position to the Committee. The para

was kept pending.

22-8-2001: Audit verified the record and reported unreliable over-writings/late entries for certain articles worth Rs.10,832/- and suggested that this amount should be recovered from those held responsible. The para was settled subject to verification of final action by Audit.

24-12-2001: The record had been verified by Audit. **The para was settled.**

35. Para 7.33: Page 91; Expenditure beyond competency Rs.212,000/- Purchase at Higher Rates and Recovery of Rs.109,598/-

29-6-2001: The Committee observed that the text of Audit para Nos. 7.22, 7.23, 7.24, 7.25, 7.28, 7.29, 7.31, 7.33, 7.34, 7.35,7.39, 6.5 had not been correctly reproduced in the working paper.

The Committee directed the Department to complete the necessary action and submit revised working paper for the next meeting with complete and correct text of the paras. The above mentioned paras were kept pending.

22-8-2001: The Department explained that purchase had been made against specific grant and after observing all codal requirements, with sanction of the Competent Authority.

The Audit had verified the record vide DGA/PAC/Edu/CD/1038 dated August 23, 2001. **The para was settled.**

36. Para 7.34: Page 92; Expenditure Beyond Competency of Rs.106,000/-, Purchase at Higher Rates and Recovery of Rs.51,101/-

29-6-2001: The Committee observed that the text of Audit para Nos. 7.22, 7.23, 7.24, 7.25, 7.28, 7.29, 7.31, 7.33, 7.34, 7.35,7.39, 6.5 had not been correctly reproduced in the working paper.

The Committee directed the Department to complete the necessary action and submit revised working paper for the next meeting with complete and correct text of the paras. The above mentioned paras were kept pending.

22-8-2001: The Department explained that in Departmental inquiry no irregularity in purchase had been established and the accused officer had been exonerated by the Competent Authority. Audit had seen the proceedings. **The para was settled.**

37. Para 7.36: Page 93; Non-recovery of Interest of Rs.34,076/-

24-2-2001: Audit had verified that the House Building Advance in question was interest free. **The para was settled.**

38. Para 7.37: Page 94; Recovery on Account of Irregular Appointments as well as Joining During Summer Vacations

29-6-2001: The Audit objection was found as without any basis and **the para was settled.**

39. Para 7.38: Page 94; Un-authorized Retention of Public Money Amounting to Rs.119,483/-

29-6-2001: The Department explained that the retention of money was due to litigation between two claimants of the ownership of building hired by the DEO (W-E) Lahore. However, the said money had since been deposited in government treasury. The explanation of the Department was accepted and **the para was settled.**

40. Para 7.39: Page 95; Excess Payment of Rs.125,048/- Due to Higher Rates

29-6-2001: The Committee observed that the text of Audit para Nos. 7.22, 7.23, 7.24, 7.25, 7.28, 7.29, 7.31, 7.33, 7.34, 7.35, 7.39, 6.5 had not been correctly reproduced in the working paper.

The Committee directed the Department to complete the necessary action and submit revised working paper for the next meeting with complete and correct text of the paras. The above mentioned paras were kept pending.

22-8-2001: The Department explained that there was no excess payment, but to offset the higher rates double quantities of teaching materials were delivered by the supplier.

Audit had verified the position vide DGA/PAC/Edu/CD/1038 dated August 23, 2001. **The para was settled.**

41. Para 7.40: Page 96; Overpayment of Rs.69,356/- Due to Incorrect Fixation of Pay

29-6-2001: The Department explained that the case was referred to A.G. Punjab who has verified the pay-fixation of the officials. The explanation of the Department was accepted and **the para was settled.**

42. Para 7.41: Page 96; Overpayment of Pay and Allowances Amounting to Rs.52,270/-

29-6-2001: The Department explained that the leave sanctioned to the teacher had been cancelled. As he remained on duty, his pay was validly drawn. Audit pointed out that in November 1996, the Deputy DEO (M) stated that the teacher was on leave and his pay had been erroneously drawn, which would be recovered.

The Committee observed that as the case needed investigation and action, the Department should hold an inquiry. The para was kept pending.

22-8-2001: The Department explained that on the recommendations of the inquiry officer 3 officers who had been declared responsible were being proceeded under the Punjab Removal from Service (Special Powers) Ordinance 2000. In addition, action against the present DDEO Ch Manzoor Ahmad is also in progress for misstatement of facts.

The Committee directed that action should be expedited. Moreover, recovery should be started immediately from the official who had received the over-payment. The para was kept pending.

24-12-2001: The record had been verified by Audit. **The para was settled.**

(Commercial Audit)

1. Para 51: Page 43-44; Working Results of Punjab Education Foundation

24-2-2001: The Committee noted the contents of the para and observed that the government should prescribe a proper accounting system for the Punjab Education Foundation and should also provide that the Foundation should submit annual statements of its income and expenditure and budget estimates to the Government. The Committee further directed that a report be submitted to the Committee in the next meeting about the performance of the Foundation along with the Statement of Accounts.

30-6-2001: In compliance with the earlier directions of the Committee dated February 23-24, 2001, the Education Department presented a report on the activities and accounts of the Foundation. The Committee observed that the accounts of the Foundation were not being maintained in accordance with the recognized principles of accounting in vogue. The Committee further observed that the Foundation had not been functioning in keeping with objectives outlined in the relevant law i.e., for the promotion & development of Education in the Province, and had not drawn up any plan to strengthen and streamline its activities and performance. On the other hand, the Foundation seemed to have restricted its activities towards extending loans to non-governmental organizations for establishing Schools & Institutions.

The Committee, therefore, directed the Education Department to review the activities of the Foundation in order to achieve real objectives of its establishment, *inter alia*, with reference to the following—

- (a) The Department should exercise performance oriented monitoring of the activities of the Foundation.
- (b) The Department may examine whether Provident Fund Rules had been made and are being followed and submit report to the Committee.
- (c) The accounts of the Foundation should be properly maintained in the manner prescribed.
- (d) The rules made under the Punjab Education Foundation Act may be placed before the Committee in the next meeting.
- (e) The NGOs taking the loans should be required to give feedback in respect of institutions established by them.
- (f) The Education Foundation should have its offices at district level.
- (g) The funds of the Foundation were being raised only through grant-in-aid and other sources of fundraising scheme seemed not to be in existence.

The Department may take up the matter with the Foundation on the above points and submit a report to the Committee in its next meeting. The para was kept pending.

21-8-2001: The para was considered with reference to the minutes of the meeting dated June 30, 2001. In the said meeting the Committee had directed the Administrative Department to submit a report about the accounting system, functions, utilization of loans, raising of funds, and overall performance of the Punjab Education Foundation in achieving its objectives for which it was established.

The Committee was not satisfied with the report prepared by the Managing Director, Punjab Education Foundation, and forwarded by the Administrative Department to the Committee.

The Committee directed that the Administrative Department should examine the various points from its own perspective and assist the Committee with its independent views in the working paper for the next meeting. The para was kept pending.

4-10-2001: The Department explained that as per previous directives of the Committee, the Department had undertaken an exercise for developing indicators to monitor the performance of the Punjab Education Foundation. Institutional arrangements for managing G.P.F. were also under-way. However, the accounts of the P.E.F. were being maintained as per rule 23 of the Punjab Education Foundation Financial Accounts Rules 1991 and no change was possible under the existing Rules. The Department also provided copies of Grant of Loans and Lease of Land Rules, 1991, the Service and Appointment Rules 1991 and the Finance & Accounts Rules 1991. The P.E.F. was also devising a performance monitoring system to oversee the performance of the N.G.O's receiving loans from the P.E.F. It was not financially possible to open the offices of PEF at district level, but its affairs at district level were being looked after through the District Education Promotion Committee. P.E.F. would also make efforts to generate additional resources.

Audit commented that a separate trust should be set up for the employee's Provident Fund & Pension. The Committee directed that Audit should give a comprehensive report on the performance of the P.E.F. in its next Audit Report. **With the above observations, the para was settled.**

2. Para 52: Page 44; Loans to Non-governmental Organizations

24-2-2001: The Department explained that 587 Non Governmental Organizations were being supported by the Punjab Education Foundation, and that less than 100 Non-governmental Organizations were defaulters. **The para was settled.**

3. Para 53: Page 44; Deposit with LDA for Allotment of Plots

24-2-2001: Audit pointed out that an amount of Rs.3,957 million is still recoverable from the LDA as on 30th June 97 on account of deposits for the allotment of plots.

The Department explained that the case regarding transfer of plots/refund of Punjab Education Foundation money amounting to Rs.3,957 million is under correspondence with LDA.

The Committee deferred the consideration of the Para to the next meeting with the direction that the LDA should also explain its position *vis-à-vis* this para in the next meeting.

30-6-2001: The Committee directed that the Department should settle the matter with LDA

without loss of time. The para was kept pending.

4-10-2001: The Department explained that in compliance of the PAC directive, the case was being pursued with the LDA to refund the money to the Punjab Education Foundation.

The Committee directed the Finance Department to help resolve this issue at its own level. **With the above observation, the para was settled.**

4. Para 54: Page 44; Adjustment of Depreciation Charges

24-2-2001: The Committee noted the para.

30-6-2001: The Committee noted the para.

5. Para 55: Page 44; Transfer of Foundation Fund to PLA and Utilized by the Government

24-2-2001: Audit reported that an amount of Rs.250 million was transferred to PLA during the year 1996-97 under the directive of the Finance Department. These funds did not actually exist in the said account but have been utilized by the Government for some other purposes not relating to the objectives of the Foundation.

The Department replied that the endowment of Rs.25.00 crores was received by the Foundation from the Govt. of the Punjab in 1991-92. The Foundation deposited the amount in the Bank of Punjab till December 30, 1996 when the Finance Department directed that the amount be placed in the PLA and the PLA account was frozen. The latest balance as verified by the treasury office Lahore on November 30, 1998 is reported as Rs.251,445,187/60.

The Committee settled the para with the observation that Government should take steps to regularize its action.

30-6-2001: The Committee made **no further comments** on the para.

6. Para 56: Page 44; Non-maintenance of Accounts Books on Commercial Pattern

24-2-2001: Audit reported that the books of accounts had not been maintained by the Foundation on commercial pattern. Therefore, the authenticity of the accounts was doubtful.

The Department replied that the books of accounts were being maintained as per rule 23 of the Punjab Education Foundation. All the formalities necessary for maintaining proper accounts were being observed.

The Committee settled the para with the observation that the Government should prescribe a proper accounting system for the Foundation.

30-6-2001: The Committee made **no further comments** on the para.

Paras Conditionally Settled

(Civil Audit)

1. Para 5.5: Page 51; Recovery of Advances Worth Rs.920,703/-

22-8-2001: The Department explained that all the advances pointed out by Audit had been adjusted.

The Committee directed that the Department should get the adjustment verified by Audit.

The Committee, however, suggested that the University should formulate rules for efficient financial control and discipline, particularly in the matter of advances and their prompt recovery or adjustment. The para was kept pending.

4-10-2001: The Department explained that all the amounts of the advances had been adjusted except an amount of Rs. 13,582/- which was outstanding against teachers who had proceeded abroad.

The Committee observed that the amount already adjusted should be got verified by Audit and the outstanding balance should be recovered from the officers who granted N.O.C. to the teachers proceeding abroad. **With the above direction, the para was settled.**

2. Para 5.11: Page 54; Irregular Drawal of Rs.112,000/- on Account of Orderly Allowance Recovery Thereof

23-8-2001: The Administrative Secretary stated that the Education Department was of the view that orderly allowance was admissible only to the Administrative Secretaries and not to all officers in BS-20. However, the University Syndicate had allowed orderly allowance to all Professors in BS-20. The Department explained that the summary sent by the Department for decision in the matter by the Governor/Chancellor, was still pending. The para was kept pending.

4-10-2001: The Department explained that the decision of the Governor/Chancellor was still awaited. The Committee directed that the Finance Department should monitor and report progress on the case. **With the above direction the para was settled.**

3. Para 5.17: Page 57; Overpayment of Orderly Allowance of Rs.80,000/- to the Professors in BPS-20

4-10-2001: The Department explained that the decision of the Governor/Chancellor was still awaited. The Committee directed that the Finance Department should monitor and report progress on the case. **With the above direction the para was settled.**

4. Para 5.18: Page 58; Undue Payment or Orderly Allowance to the Professors in BPS-20 and Above Worth Rs.547,741/-

23-8-2001: The Administrative Secretary stated that the Education Department was of the view that orderly allowance was admissible only to the Administrative Secretaries and not to all officers in BS-20. However, the University Syndicate had allowed orderly allowance to all Professors in BS-20. The Department explained that the summary sent by the Department for decision in the matter by the Governor/Chancellor, was still pending. The para was kept pending.

4-10-2001: The Department explained that the decision of the Governor/Chancellor was still awaited. The Committee directed that the Finance Department should monitor and report progress on the case. **With the above direction the para was settled.**

5. Para 6.8 Page 67; Embezzlement on Account of Tuition Fee Rs.270,659/-

24-2-2001: Audit reported that tuition fee amounting to Rs.270,659/- was shown as deposited in the treasury on bogus challans. The Department explained that after the Departmental proceedings, the following staff was found responsible for the embezzlement:-

1. Mr Allah Wasaya, Junior Clerk
2. Mr Wazir Ahmad, Junior Clerk
3. Mr Mukhtar Ahmad, Junior Clerk
4. Mr Abdul Latif, Junior Clerk
5. Mr Riaz Ahmed, Junior Clerk

Later on the officials of Sr. 1 & 2 who produced deposit challans were dropped from the Inquiry. The remaining accused persons were removed from service. A case had also been referred to Tehsildar, Shujabad (Multan) for recovery of the embezzled amount from the defaulters as arrears of land revenue.

The Committee directed that the recovery should be pursued. Moreover, the deposit challans on the basis of which the said two officials were dropped from the inquiry, should be got verified by the Bank/treasury, and if the authority dropping them from the inquiry had made wrong decision, he should be proceeded against under the rules. The para was kept pending.

28 & 30-6-2001: The para was considered with reference to the minutes of PAC meeting held on February 23-24, 2001.

The Department explained that the recovery was being pursued with revenue authorities, and the reconciliation with bank and treasury was in process. It was further stated that the two officials who had been exonerated were not concerned with the period of audit.

The Committee directed the Department to complete reconciliation with the bank and the treasury within 2 days.

The para was again considered on June 30, 2001. The Department had shown no progress in reconciliation of the deposits. The Department was directed to get the challans

verified within one month and to produce the relevant record to Audit. The para was kept pending.

22-8-2001: The Department explained that action had been initiated against the officers/officials involved in the embezzlement, and against the officers responsible for delay in reporting and taking action.

The Committee directed that Department should recover the rest of recoverable amount from the defaulters. The para was kept pending.

4-10-2001: The Department explained that the proceedings had been started against the accused under the Punjab Removal from Service (Special Powers) Ordinance 2000 and the inquiry report was under examination.

The Committee directed the Department that the recovery and disciplinary action should be finalized expeditiously. The para was kept pending.

24-12-2001: The para was considered in the light of the direction of the Committee dated October 4, 2001. The Department explained that an amount of Rs.25,000/- had been recovered. Disciplinary proceedings had been initiated against the accused persons under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed to complete the recovery and disciplinary proceedings expeditiously. The Committee further directed that Finance Department should monitor the action. **With the above direction, the para was settled.**

6. Para 7.4: Page 73; Irregular Expenditure of Rs.1,090,000/- on Purchase of Black Boards

28-6-2001: Audit reported that the Department purchased black boards worth Rs.1,090,100/- and made payment without carrying out technical inspection of the stores.

The Department had produced some record to Audit, on which the Audit commented that the purchase was made in November 1994, but the technical inspection report was dated June 18, 1998, which appeared to be doubtful. Audit further reported that the Director Public Instructions (EE), vide his memo. 5993/133 dated June 13, 2001, had informed the Special Secretary (Schools) that the signatures of the Members of the Technical Committee borne on the Technical Inspection Report of black boards were not genuine and he had requested the Administrative Secretary to proceed against the officers responsible for the irregularities.

The Committee directed that disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 be taken against the persons at fault besides making recovery of the loss. The para was kept pending.

22-8-2001: The Department explained that necessary action as per directive of the Committee dated June 28, 2001, was in progress and would be completed before the next meeting. A reference had also been made to the Services General Administration & Information Department regarding the Assistant Commissioner in this case. The para was pending.

24-12-2001: The para was considered in the light of the directive of the Committee dated August 22, 2001. The Department explained that as a result of departmental inquiry seven persons were held responsible for purchase of sub-standard material. Two officers were being proceeded against under the Punjab Removal from Service (Special Powers) Ordinance, 2000, two retired officers were being proceeded against under the pension rules, and for taking action against another accused i.e. Assistant Commissioner, the case had been referred to S&GAD. The remaining two persons including the supplier/contractor had since expired. The Department assured that action in each case would be brought to its logical conclusion.

The Committee directed that Administrative Department should complete the appropriate action expeditiously and Finance Department should monitor the same. **With the above direction, the para was settled.**

7. Para 7.8: Page 75; Irregular Expenditure of Rs.107,000/- and Excess Payment of Rs.51,574/- on Purchase at Higher Rates

28-6-2001: Audit reported that the teaching material worth Rs.107,000/- was purchased beyond competency, and an amount of Rs.52,055/- was paid in excess.

In the Working Paper the Department explained that the purchase was made in accordance with the Government instructions and at prevailing market rates after inviting tenders as per procedure. However, the Department stated before the Committee that an FIR was lodged in the Anti-corruption Establishment and the record had been taken over by Anti-corruption Establishment.

The Committee observed that the written and oral replies of the Department were at variance, therefore, the Audit observations, given in the Audit comments, were upheld and the Department was directed to investigate into the matter and to recover the excess charged amount from the defaulter, and to produce the record to Audit for verification, and to take disciplinary action against those who misrepresented the facts and also against those who were responsible for delay in taking action in the matter for 5 years. The para was kept pending.

22-8-2001: The Department explained that as per direction of the Committee dated June 28, 2001, an inquiry was held into the para, which had revealed that purchase was made according to the prescribed procedures. However, on a complaint all the record was taken over by Anti-Corruption Establishment. The present inquiry was held on the basis of copies of record obtained from ACE. The expenditure had been made against specific budget provision and the Director was competent to sanction the expenditure.

The Department was directed to get the budgetary provision and sanction order verified by Audit. The para was settled subject to verification by Audit.

24-12-2001: The para was considered in the light of the direction of the Committee dated August 22, 2001. The para had been **settled subject to verification** of record by Audit.

The Department explained that the original record was with the Anti-corruption Establishment, Rawalpindi and would be produced as soon as made available. The Committee re-iterated its previous decision dated August 22, 2001.

8. Para 7.15: Page 80; Fraudulent Drawal of Rs.70,913/-

29-6-2001: The Department explained that the case against defaulting official was under process in the Anti-corruption Establishment and disciplinary proceedings were also pending decision by the Authority. The Audit further informed that Rs.70,913/- had been recovered by ACE as case property. The Department further pointed out that it was also the responsibility of the A.G. Office to check the drawal of fraudulent payment at pre-audit counter.

The Committee directed the Department to—

- (a) refer the matter to AG, Punjab for taking disciplinary action against the officers who allowed payment at pre-audit counter;
- (b) pursue the Anti-corruption case; and
- (c) finalize the disciplinary proceedings expeditiously.

The para was kept pending.

22-8-2001: The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 had been initiated against the four officers/officials. The Anti-corruption case was also being pursued. The Accountant General, Punjab had also been requested to take disciplinary action against the officers who allowed payment at the pre-audit counter. The para was kept pending.

24-12-2001: The para was considered in the light of direction of the Committee dated August 22, 2001. The Department explained that the disciplinary proceedings against the accused officers under the Punjab Removal from Service (Special Powers) Ordinance 2000 were in final stages. The AG office had also awarded minor penalty of Censure to the accused Senior Auditor. The Department further stated that Anti-corruption case was also being pursued. The Committee directed that the Administrative Department should complete appropriate action expeditiously and Finance Department should monitor the same. **With the above direction, the para was settled.**

9. Para 7.16: Page 81; Fraudulent Drawal of Salaries Amounting to Rs.392,411/-

29-6-2001: The Department explained that the services of all the 35 PTC teachers irregularly appointed had been terminated; and that 12 persons were involved in the said irregular appointments. Action against three persons who had retired had been taken under the Pension Rules by forfeiting their pension to the extent of 100% in one case and 5% in the other cases; nine persons who were still in service were being proceeded against under the E & D Rules and the Chief Secretary as Authority in this case, had ordered a de-novo inquiry.

The Committee directed that the Department should inform the Audit about the latest position of the actions taken in the matter. The para was kept pending.

22-8-2001: The Department explained that out of 12 officers/officials, 3 had retired from service and action had been taken against them under the pension rules. Moreover, on the directive of the Chief Secretary a de-novo inquiry against nine officers/ officials was in

process.

The Committee directed that copies of the orders of forfeiture of pension should be provided to Audit, and disciplinary action should be finalised expeditiously. The para was kept pending.

24-12-2001: The para was considered in the light of the direction of the Committee dated August 22, 2001. The Department explained that action against the three pensioners had been finalized while proceeding against six serving officers were in process. The Committee directed that the Administrative Department should complete the necessary action expeditiously and the Finance Department should monitor the same. **With the above direction, the para was settled.**

10. Para 7.35: Page 93; Local Purchase of Stationery Beyond Competency Rs.485,553/-

29-6-2001: The Committee observed that the text of Audit para Nos. 7.22, 7.23, 7.24, 7.25, 7.28, 7.29, 7.31, 7.33, 7.34, 7.35, 7.39, 6.5 had not been correctly reproduced in the working paper.

The Committee directed the Department to complete the necessary action and submit revised working paper for the next meeting with complete and correct text of the paras. The above mentioned paras were kept pending.

22-8-2001: The Department explained that an inquiry was held. There was no embezzlement. Only some procedural irregularities had been found.

The para was settled subject to regularization of expenditure by the Finance Department.

24-12-2001: The Department explained that the case for regularization had been referred to the Finance Department. The Committee directed that further action should be taken as per direction of the Finance Department. **With the above direction, the para was settled.**

Paras Pended (Civil Audit)

1. Para 5.3: Page 50; Recovery of Rs.1,191,317/- on Account of Double Benefits to Teachers Holding Ph.D. Degree

21-8-2001: Audit had pointed out that on June 1, 1986 the holders of Ph.D. degree were required to exercise the option either to retain the benefit of advance increments or to get Ph. D. Allowance, but they had drawn the Ph.D. Allowance by including advance increments in their pay.

The Department explained that the matter would be placed before the Syndicate of the

University on 25 August, 2001.

On a query, the Administrative Department stated that the rules and instructions laid down by the Finance Department would have to be followed.

The Committee directed that each case should be decided on its merits and in case where double benefit had actually accrued, the same should be recovered. The para was kept pending.

4-10-2001: In the previous meeting held on August 21, 2001, the Administrative Department stated that the rules/instructions laid down by Finance Department would be followed in this case. The Committee had then directed that each case should be decided on its individual merits.

However, the working paper of this meeting indicated that the Syndicate of the University of the Punjab had constituted a Committee to defend the case. However, the Administrative Department stuck to its previous stance and the Committee also reiterated its previous decision. The para was kept pending.

24-12-2001: The para was considered in the light of the directions of the Committee dated August 21, 2001. The Committee observed that the departmental explanation was merely the reply of the University and not that of the Administrative Department itself. The Committee reiterated its previous decision dated August 21, 2001. **The para was kept pending.**

2. Para 5.4: Page 51; Non-Recovery of Advance Increments After Allowing Ph.D. Allowance Worth Rs.87,120/-

21-8-2001: The Department explained that both the Professors mentioned in this para had availed themselves of the benefit of advance increments in their capacity as Lecturers and not as Assistant Professors or Associate Professors and, therefore, they were entitled to the Ph.D. allowance.

The Committee directed that each case should be examined on merits. In case the advance increments drawn as Lecturer had no impact on fixation of pay as Assistant Professor or Associate Professor, then no "double benefit" would be involved. The Department was directed to get the relevant record and service books verified by Audit. The para was kept pending.

4-10-2001: After verification of record, Audit had reported that double benefit was involved in the case of Mr. G.R. Pasha, but it was not involved in the case of Dr. Muhammad Anwar Chaudhry. The Department was directed to get the pay of the said officers verified by Audit and to recover the amount of over-payments, if any. The para was kept pending.

24-12-2001: The para was considered in the light of the directions of the Committee dated August 21, 2001. The Committee observed that the departmental explanation was merely the reply of the University and not that of the Administrative Department itself. The Committee reiterated its previous decision dated August 21, 2001. **The para was kept pending.**

3. Para 5.7: Page 52; Non-Adjustment of Advances Drawn from the University Funds

Rs.3.347 Million

4-10-2001: The Department was directed to get the outstanding advances adjusted expeditiously and get the record verified by Audit. The para was kept pending.

24-12-2001: The para was considered in the light of the directions of the Committee dated August 21, 2001. The Department replied that out of the total advances of Rs.3.347 Million, an amount of Rs.1.715 million had been adjusted upto May 31, 2001 and an amount of Rs.0.253 million had been written off being irrecoverable due to death cases and the remaining amount had been ordered to be recovered from the pay/pension of the officers concerned. The Committee was not satisfied with the explanation of the Department and directed that:-

- (i) action should be taken against the officer who was responsible to watch the adjustment/recovery of the advances at proper time and he did not do the same;
- (ii) it may also be investigated as to why the amount had been written off, and
- (iii) the order of recovery from the pay/pension should be produced to Audit along with the list of officers with amount recoverable from each.

The para was kept pending.

4. Para 5.19: Page 58; Unauthorised/Unnecessary purchases for Rs.10,568,650/- (stores & purchase)

23-8-2001: The Department explained that the "Purchase Rules" had been made by the Chancellor's Committee, exercising the powers of Senate and Syndicate, as per provisions of the Islamia University of Bahawalpur Act, 1975. The Committee accepted the contention of the Department about the legitimacy of the Purchase Rules.

However, regarding other aspects of the Audit observation, the Committee directed that the Audit should carry out a test check of purchases and bring any irregularity found to the notice of the University for regularization by the Competent Authority. The para was kept pending.

4-10-2001: The Committee reiterated its previous directive dated August 23, 2001. **The para was kept pending.**

5. Para 6.5: Page 65; Irregular Expenditure of Rs.105,828/- on Un-authorized Allotment of Mobile Telephone

22-8-2001: The Department explained that the Education Department had sent the case to Finance Department for regularization of expenditure on May 7, 2001 and the reply of Finance Department was still awaited. The para was kept pending.

24-12-2001: The Department explained that the cases for regularization of the expenditure

had been referred to the Finance Department. The Committee directed that further action should be taken as per direction given by the Finance Department. **The para was kept pending.**

6. Para 7.1: Page 71; Irregular Expenditure of Rs.312,000/- and Excess Payment of Rs.216,670/- on Purchase of Teaching Material

28-6-2001: Audit reported that teaching material worth Rs.312,000/- was purchased on June 29, 1996 without any immediate requirement, at exorbitant rates.

The Department explained that the expenditure was sanctioned by the Director of Education. Tenders were invited through advertisement in Newspaper on June 7, 1995, but tenders were opened at two different Tehsils i.e., Kasur and Chobara at the same time and date, and the lowest rates though different from each other in each Tehsil, were accepted.

Audit pointed out that two different rates were accepted by the same authority on the same date; he should have drawn comparison and avoided over-payment due to acceptance of higher rates.

The Committee directed that disciplinary action against the persons responsible for making purchases at higher rates should be immediately initiated and completed before the next meeting to be held in August, 2001. The officers who had taken no action in the matter for the last four years would also be asked to explain their conduct. The para was kept pending.

22-8-2001: The Department explained that necessary action as per direction of the Committee dated June 28, 2001, was in progress and would be completed by the next meeting. **The para was kept pending.**

24-12-2001: The para was considered in the light of directive of the Committee dated August 22, 2001. The Department explained that proceeding under the Removal from Service (Special Powers) Ordinance 2000 had been initiated and inquiry report had been finalized which was being examined by the Administrative Department for final decision. The Department was directed to complete appropriate action in the matter expeditiously. **The para was kept pending.**

7. Para 7.6: Page 74; Irregular Expenditure of Rs.194,999/- on Local Purchase of Stationery

28-6-2001: Audit reported that a sum of Rs.194,999/- was spent on local purchase of stationery, by splitting the expenditure to avoid sanction of the higher authority, through five contingency bills dated June 30, 1996.

The Department admitted the irregularity pointed out in the Audit Para, before the Committee and asked time for inquiry and action.

The Committee directed that the action under the Punjab Removal from Service (Special Powers) Ordinance 2000, should be taken against the persons at fault and finalised before the next meeting to be held in August 2001. The para was kept pending.

22-8-2001: The Department explained that necessary action as per directive of the

Committee dated June 28, 2001, was in progress and would be completed before the next meeting. The para was kept pending.

24-12-2001: The para was considered in the light of the direction of the Committee dated August 22, 2001. The Department explained that as a result of a departmental inquiry, the DDO had been held responsible for incurring expenditure without sanction of the Competent Authority. The case had been referred to Finance Department for ex-post facto regularization of the expenditure.

The Committee directed that Department should take further action upon the direction of the Finance Department in the matter. **The para was kept pending.**

8. Para 7.17: Page 81; Bogus Drawal of Pay Amounting to Rs.347,528/-

29-6-2001: The Administrative Secretary requested the Committee to pend this para till the next meeting to enable the Department to take necessary action and submit a revised explanation. The para was kept pending.

22-8-2001: The Department stated that the para consisted of two parts and explained as under:-

Part-I Rs.131,089/-

As per inquiry report the actual recoverable amount was Rs.47,120/- which had been recovered.

Part-II Rs.42,675/-

Action had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000 against 12 officers/ officials.

The para was kept pending.

24-12-2001: The para was considered in the light of the direction of the Committee dated August 22, 2001. The Committee was not satisfied with the explanation given by the Department in the Working Paper and directed that the Department should comply with the latest comments given by Audit on the working paper.

The para was kept pending.

9. Para 7.18: Page 82; Fraudulent Drawal of T.A. Rs.49,819/-

29-6-2001: Audit had pointed out that Rs.49,819/- had been drawn on time-barred TA claims and fictitious appropriation certificates.

The Administrative Secretary asked time to take necessary action in the matter. Audit pointed out that action was also warranted against the DAO who allowed the payment.

The Committee directed the Department to finalize the action and to submit revised and updated working paper in the next meeting. The para was kept pending.

22-8-2001: The Department explained that on the recommendations of the Inquiry Officer

proceeding under Punjab Removal from Service (Special Powers) Ordinance 2000 had been initiated against Mr Sardar Muhammad Ex AEO. As also, action had been initiated under Pension Rules against Mr M.H. Goraya Ex DEO and the Accountant General, Punjab had been requested to take action against the then District Accounts Officer, Bahawalnagar. The para was kept pending.

24-12-2001: The para was considered in the light of the Committee's directive dated August 22, 2001. The Department explained that the departmental action against the officers concerned as well as the Anti-corruption case was still in process. The Department was directed to complete appropriate action expeditiously. **The para was kept pending.**

10. Para 7.20: Page 83; Embezzlement Amounting to Rs.2,119,945/- Due to Fictitious Drawal of Salary

29-6-2001: The Department requested the Committee to pend this para to the next meeting to enable the Department to take necessary action and apprise the Committee about the details of this case. The para was kept pending.

22-8-2001: The Department explained that as result of inquiry 4 officers had been identified for fictitious drawal of salary. All of them had since retired. Action was being initiated against them under the Pension Rules. The Committee directed that criminal action should also be initiated and a consolidated case should also be referred to National Accountability Bureau/ Regional Accountability Bureau. The para was kept pending.

24-12-2001: The para was considered in the light of the direction of the Committee dated August 22, 2001. The Department explained that the action against the accused retired officers under the pension rules was in process. Moreover, a consolidated case had also been referred to National Accountability Bureau. The Department was directed to complete the appropriate action in the matter expeditiously. **The para was kept pending.**

11. Para 7.21: Page 83; Embezzlement of Rs.607,671/- Due to Fraudulent Drawal of Salary

29-6-2001: The Department explained that criminal as well as Departmental action was called for in this case and would be completed by the next meeting. The para was kept pending.

22-8-2001: The Department explained that as per Departmental inquiry report, the DDO/ Headmaster was responsible for the embezzlement in connivance with some officials of the Accountant General's Office. Action had been initiated against the said officer under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that Director General Audit Punjab should write to Accountant General, Punjab for action against the officers/officials of his office involved in this case.

The Committee observed that this case might have been detected by chance and the culprits might have succeeded in committing other such like frauds. The Committee enquired as to why action was not taken by the Department immediately on receipt of the audit

objection.

The Committee suggested that it would be appropriate to probe the payments authorized or drawn by the DDO/Headmaster at other locations also.

The Director General Audit was advised to look into the failure of internal checks and control in the Computer Section of the Accountant General's Office and to ensure that these were effectively implemented.

The Committee directed that disciplinary and recovery action in this case should be completed expeditiously. The para was kept pending.

24-12-2001: The para was considered in the light of the Committee's directive dated August 22, 2001. The Department explained that cases with Anti-corruption Establishment and National Accountability Bureau against the accused were still in process. The Department was directed to complete the appropriate action in the matter expeditiously. **The para was kept pending.**

12. Para 7.28: Page 87; Loss of Rs. 287,198 Due to Doubtful Drawal of Salary of a Teacher

29-6-2001: The Committee observed that the text of Audit para Nos. 7.22, 7.23, 7.24, 7.25, 7.28, 7.29, 7.31, 7.33, 7.34, 7.35, 7.39, 6.5 had not been correctly reproduced in the working paper.

The Committee directed the Department to complete the necessary action and submit revised working paper for the next meeting with complete and correct text of the paras. The above mentioned paras were kept pending.

22-8-2001: In the Working Paper, the Department explained that in the light of inquiry report action against the responsible persons had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000. However, the Department verbally explained that six persons were appointed as English Teachers on School Specific basis, but they were transferred to other schools and no double drawal of salary was involved.

The Department was directed to produce the record to Audit on August 23, 2001 to prove its contention. On August 23, 2001, the Audit reported that nobody had come to Audit for verification of record. The para was kept pending.

24-12-2001: The para was considered in the light of the Committee's direction dated August 22, 2001. The Department explained that action had been initiated against the officers who were responsible for ordering transfer of the English teachers whose appointments were on School Specific basis. However, the teachers had drawn salaries for the period during which they actually performed their duties. The Department was directed to complete action and produce the record to Audit. **The para was kept pending.**

13. Para 7.29: Page 88; Shortage of Stationery Articles Valuing Rs.40, 147/-

29-6-2001: The Committee observed that the text of Audit para Nos. 7.22, 7.23, 7.24, 7.25, 7.28, 7.29, 7.31, 7.33, 7.34, 7.35, 7.39, 6.5 had not been correctly reproduced in the working paper.

The Committee directed the Department to complete the necessary action and submit revised working paper for the next meeting with complete and correct text of the paras. The above mentioned paras were kept pending.

22-8-2001: The Department explained that the relevant record was not traceable and officer who purchased the stationery articles had died. The two officers responsible for not taking proper action in this para at proper time had also retired.

The Committee directed that action should be taken against the official incharge of the stationery. The para was kept pending.

24-12-2001: The para was considered in the light of previous directive of the Committee dated August 22, 2001. The Department explained that action had not yet been initiated against the incharge of the store as no authority had yet been designated after abolition of Divisional Establishment. As soon as some authority was designated the action would be initiated.

The Department was directed to complete appropriate action in the matter expeditiously. **The para was kept pending.**

14. Para 7.31: Page 90; Unlawful Appointments- Loss of Rs.2,795,985/-

29-6-2001: The Committee observed that the text of Audit para Nos. 7.22, 7.23, 7.24, 7.25, 7.28, 7.29, 7.31, 7.33, 7.34, 7.35, 7.39, 6.5 had not been correctly reproduced in the working paper.

The Committee directed the Department to complete the necessary action and submit revised working paper for the next meeting with complete and correct text of the paras. The above mentioned paras were kept pending.

22-8-2001: The Department explained that as per Departmental inquiry report the bogus appointments were made by Mian Muhammad Aslam Ex DDEO and Mr Muhammad Shabbir Minhas Ex DDEO. Both the officers had retired and action against them under Pension Rules 1963 had been initiated.

The para was discussed in detail. The Committee directed that an indepth probe was needed into the matter, to determine how many other bogus appointments were made, which of the bogus appointees actually worked and drew salaries and which of them drew salary without working and whether connivance of the appointing authority was also involved in the issuance of fake appointment orders. The para was kept pending.

24-12-2001: The para was considered in the light of the direction of the Committee dated August 22, 2001. The Department explained that the officers responsible for making irregular appointments are being proceeded against under the pension rules. However, the irregular

appointees who were removed from service had been re-instated in service by the Punjab Service Tribunal in October 2001.

The Department was directed to complete the appropriate action against the officers responsible for making irregular appointments expeditiously. **The para was kept pending.**

(Education Engineering Cell)

Note: Para Nos. I-1, II-1 and III-1 relating to Education Engineering Cell were originally printed against Education Department in Audit Report for the year 1996-97 Volume II. During consideration of the business of Education Department, the Department informed the PAC that since the Education Engineering Cell had been transferred to C&W Department, the paras relating to Education Engineering Cell may be allowed to be transferred to C&W Department. The Committee agreed with the proposal and the said paras were accordingly transferred to C&W Department.

ENVIRONMENT PROTECTION DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
2	2	---	---	---

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 2	Paras finally settled as the requisite action had been taken.	Civil:		
		Commercial:		
		Works:		
Paras Conditionally Settled 2	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 4.1 & 4.2	2	195-197
		Commercial:		
		Works:		
Paras Pended	Paras pended as the Department had not taken satisfactory action.	Civil:		
		Commercial:		
		Works:		
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial:		
		Works:		

Discussed on 25 January, 14 & 27 April, 15 & 28 August and 17 October 2001

Paras Conditionally Settled

Civil Audit

1. Para 4.1: Page 45; Willful Loss Caused to Government Vehicles to the Tune of Rs.110,000/-

25-1-2001: This para related to the use of official vehicles by the then Minister for Environment in excess of his entitlement under the law and amounted to misuse of authority. The Committee directed that the Department should thoroughly scrutinize the record and consider the advisability of referring the case to the National Accountability Bureau. **The para was kept pending.**

14-4-2001: The Department explained that as recommended by the Committee on 25.1.2001, the record of the case had been scrutinized for considering the advisability of referring the cases to the National Accountability Bureau (NAB) and observed that the outstanding amount should be recovered from the Ex-Minister as arrears of land revenue instead of referring the case to the National Accountability Bureau.

The Committee directed the Department to hold an inquiry to determine the responsibility of the Ex-Minister and to ascertain the actual amount of recovery. Representative of Audit may also be associated in the inquiry and the inquiry should be completed within two months. The amount determined should be recovered. The para was kept pending.

15-8-2001: The Secretary, Environment Protection Department was not present. He had sent no prior intimation to the Committee about the reasons of his absence. Moreover, the Department had not submitted the Working Paper in respect of its Appropriation Accounts relating to Grants No. 36 and 43.

The Committee decided not to consider the business of the Environment Protection Department and deferred the business to 28 August, 2001.

28-8-2001: The Department explained that in an inquiry held as per directive of the Committee dated 14-4-2001, it had been determined that the then Minister for Environment Protection was responsible for the misuse of government vehicle to the extent of Rs.30,000/- only and the same would be recovered from him. The Committee directed that the recovery should be made expeditiously and got verified by Audit. The para was kept pending.

17-10-2001: The Department explained that the total amount of both the Paras was Rs. 381,052/- and that letters had been addressed to the Nazim and DCO concerned for the recovery of the amount from the ex-Minister concerned.

The Committee directed the Department that the recoverable amount should be reconciled with Audit and this recovery should be pursued by the Department and progress monitored and reported by Finance Department. **With the above direction, the para was settled.**

2. Para 4.2: Page 45; Loss of Rs. 410,978/- due to irregular use of Government Vehicles by the minister for environment

25-1-2001: This para related to the use of official vehicles by the then Minister for Environment in excess of his entitlement under the law and amounted to misuse of authority. The Committee directed that the Department should thoroughly scrutinize the record and consider the advisability of referring the case to the National Accountability Bureau. The para was kept pending.

14-4-2001: The Department explained that as recommended by the Committee on 25.1.2001 the record of the case had been scrutinized for considering the advisability of referring the case to the National Accountability Bureau (NAB) and observed that the outstanding amount should be recovered from the Ex Minister as arrears of land revenue instead of referring the case to the National Accountability Bureau.

The Committee directed the Department to hold an inquiry to determine the responsibility of the Ex-Minister and to ascertain the actual amount of recovery. Representative of Audit may also be associated in the inquiry and the inquiry should be completed within two months. The amount determined should be recovered. The para was kept pending.

28-8-2001: The Department explained that in an inquiry, held as per direction of the Committee dated 14-4-2001, the then Minister for Environment Protection was held responsible for the misuse of government vehicles to the extent of Rs.351,052/- and the same would be recovered from him.

The Committee directed that the recovery should be made expeditiously and got verified by Audit. The para was kept pending.

17-10-2001: The Department explained that the total amount of both the Paras was Rs. 381,052/- and that letters had been addressed to the Nazim and DCO concerned for the recovery of the amount from the ex-Minister concerned.

The Committee directed the Department that the recoverable amount should be reconciled with Audit and this recovery should be pursued by the Department and progress monitored and reported by Finance Department. **With the above direction, the para was settled.**

Briefing on Kasur Tannery Pollution Control Project

17-10-2001: As desired by the Committee in its previous meeting, the Manager, Kasur Tannery Pollution Control Project briefed the Committee on the project. It was stated that the problem of pollution by the tanneries in Kasur was taken cognizance of by the Government in 1982 and a technical and economic study was undertaken in 1992. The administrative approval of the project was granted in 1995 at a cost of Rs.263.841 million. The stake-holders of the project at that time were Government of Punjab (33%), UNDP/Netherlands Government (62%) and Norwegian Government (5%). The latter two stake-holders, backed out of the project. In 1999, the project estimates were revised to Rs.497.245 million. The stake-holders at that time were Government of Punjab (35%) Government of Pakistan (2%), Export Promotion Bureau (30%), UNDP/UNIDO (25%) and Tanneries Association (8%). The administrative control of the project remained with Housing & Physical Planning Department from 1992 to 1999 when it was transferred to the Environment Protection Department. The Project covered 237 tanneries clustered at four localities: Dingarh, Kot Abdul Kadir, Niaz Nagar and Younis Nagar. The project provides for collection of tanneries effluent, pre-treatment facility, disposal system, solid waste management, in-house pollution control methods, chrome recovery, improvement of occupational health and safety of workers, etc. The test-run of the project with the tannery effluent was made in September 2001. The Steering Committee of the project was chaired by Chairman, Planning & Development Board. The total funds received upto September, 2001, were Rs.373.816 million. The over-all expenditure was Rs.424.476 million. The estimated annual expenditure was Rs.48.69 million. Certain percentage of the annual expenditure would be collected from the Tanneries Association and local bodies, etc.

The Committee suggested that the collection of funds for annual expenditure should be provided a legal cover, to avoid any complications at a later stage.

The Committee was informed that a separate project for Ruhi Nallah was being processed

EXCISE AND TAXATION DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
164	1	1	••	162

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 96	Paras finally settled as the requisite action had been taken.	Civil:	••	
		Commercial: 3(x) Revenue Receipts: 4.1(a): 2872, 4647, 4395, 4613, 4616, 2932 4.1(c): 4552, 4625, 4632, 4637, 4696, 4583, 2933, 2935, 2940, 4139, 4298, 2870; 4.1(d): 4636, 4191, 4230, 4605; 4.1(e): 4550, 4621, 4545, 4578, 4652, 2712; 4.1(f): 4397, 4620 (I to III), 4609, 4641, 4643, 4682, 4494, 4282, 2927; 4.1(g)(i): 4683, 1655; (ii): 4627, 4651, 4615; (iii): 4587, 4649; 4.1(h): 4585, 4679, 2938, 2939; 4.1(i): 4283; 4.2(a): 4246, 4274, 4680, 4628, 4557, 4547, 4582 4.2(b): 4681, 4554, 4653, 4635, 4579, 4199; 4.2(c): 4580, 3014, 4551, 4495; 4.2(d): 4284; 4.2(e): 4399; 4.3: 4546, 4497, 4581, 4398, 4610, 4403, 4354, 4624, 4422, 2934, 4140, 4147; 4.4: 4355, 3027; 4.5: 4060, 4165; 4.6(ii): 4588; 4.6(iii): 4548; 4.6(iv): 2937; 4.7: 3079 4618 4.8: 4499, 4612, 4584, 4420	1	203
			95	203-219

Continued ...

Paras Conditionally Settled 66	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil:		
		Revenue Receipts: 4.1(a): 4606, 4676, 4678, 4626, 2223, 4242; 4.1(b): 1479, 1713, 1729, 2163, 2628, 2873, 3010, 3025, 3081, 4146, 4061, 4073, 4171, 4556, 4238, 2845, 4543, 2156, 1728, 1801, 1701, 4166, 4148, 4172, 4071, 4539, 2187, 3028, 4650, 4639, 3018, 4244, 4245, 4270, 4190; 4.1(c): 4617, 4629, 4642, 4672, 4232, 4228, 4271, 4277; 4.1(d): 4226, 4501, 4648, 3012, 4614; 4.1(f): 4229; 4.1(g): 4607, 4608; 4.2(a): 4288, 4674; 4.2(b): 4673, 4273, 3013; 4.2(c): 4677; 4.3: 4248, 4249; 4.6: 4394	66	220-241
Paras Pended 2	Paras pended as the Department had not taken satisfactory action.	Civil: 8.1	1	242
		Revenue Receipts: 4.3: 3009;	1	242-248
	Paras pended as the Department did not submit the working papers.	Civil:		
Commercial:				
Revenue Receipts:				

Discussed on 17 February, 14 June, 20 August, 2 October 2001 and 10 January 2002

Paras Finally Settled (Commercial Audit)

1. Para 3(x): Page 6; Non-compilation of Accounts for the years 1993-94, 1994-95, 1995-96 & 1996-97

14-6-2001: The Department explained that the accounts in respect of Government Opium and Alkaloid Factory, Lahore for the years 1993-94 to 1996-97 had been submitted to Audit while the accounts for the remaining years upto 1999-2000 would be submitted to the Audit by 31 July 2001.

The Committee noted the progress and settled the para.

(Revenue Receipts Audit)

A-Property Tax

4.1(a) Due to Non-recovery of Arrears Aggregate amount Rs.13,198,201/-

(1) Draft Para 2872 E.T.O. Sheikhpura amounting to Rs.41,859/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The Department explained that matter was pending with the Liquidation Board.

The Department was directed to pursue the case and take action as per decision of the court.

The para was settled with the above observation.

(2) Para 4647 E.T.O. Zone-IV Lahore Rs.5,729,906/-

17-2-2001: Audit reported that the entire amount stood recovered or regularized and verified.

The para was settled.

(3) Draft Para 4395 E.T.O. Kasur, Rs.114,949/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The Department explained that total recovery had been made and Audit was to complete its verification. **The para was settled.**

(4) Para 4613 E.T.O., Bahawalpur, Rs.73,186/-

17-2-2001: Audit reported that total amount of Rs.73,186/- had been recovered and verified. **The para was settled.**

(5) Para 4616 E.T.O., Multan-I, Rs.364,154/-

17-2-2001: Audit reported that total amount of Rs.364,154/- had been recovered and verified. **The para was settled.**

(5-b) Draft Para 4616 E.T.O., Multan-II, Rs.661,867/-

17-2-2001: Audit reported that partial recovery of Rs.208,769/- had been made leaving a balance of Rs.453,098/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.453,098/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending, for balance recovery and for further examination by the Department in the light of court decision.

2-10-2001: The Department explained that the Lahore High Court, Multan Bench had decided that the tax was not due. Audit had recommended the para for settlement. **The para was settled.**

(5-c) Para 4616 E.T.O., Multan-III, Rs.288,366/-

17-2-2001: Audit reported that total amount of Rs.288,366/- had been recovered and verified. **The para was settled.**

(5-d) Para 4616 E.T.O., Lodhran, Rs.65,092/-

17-2-2001: Audit reported that total amount of Rs.65,092/- had been recovered and verified. **The para was settled.**

(6) Para 2932 E.T.O., Layyah, Rs.104,000/-

17-2-2001: Audit reported that the entire amount had been verified. **The para was settled.**

4.1(c) Due to Omission in Carrying Forward of Arrears, Aggregate Amount Rs.3,414,405/-**(7) Para 4552 E.T.O., Gujranwala E.T.O., Sialkot, Rs.24,451/-**

17-2-2001: Audit reported that total amount of Rs.24,451/- had been liquidated and verified. **The PAC settled the para.**

(8) Para 4625 E.T.O., Lahore Zone-VI, Amounting to Rs.83,265/-

17-2-2001: Audit reported that partial recovery of Rs.20,088/- had been verified leaving a balance of Rs.63,177/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.54,381/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: As full recovery had been verified by Audit **the para was settled.**

(9) Para 4632 E.T.O., Lahore Zone-III, Rs.273,879/-

17-2-2001: Audit reported that a partial recovery of Rs.11,267/- had been verified leaving a balance of Rs.262,612/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.181,790/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending for full recovery.

2-10-2001: The Department stated that the recovery of the balance amount had been made. **The para was settled.**

(10) Para 4637 E.T.O., Lahore Zone-I, Rs.115,641/-

17-2-2001: Audit reported that the entire amount had been recovered and verified by Audit. **The para was settled.**

(11) Draft Para 4696 E.T.O., Lahore Zone-IV, Rs.439,534/-

17-2-2001: Audit reported that partial recovery of Rs.393,209/- had been verified leaving a balance of Rs.46325/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was

Rs.46,325/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that total recovery had been made. **The para was settled.**

(12) Para 4583 E.T.O., Sargodha, Rs.28,481/-

17-2-2001: Audit reported that partial recovery of Rs.25,840/- had been verified leaving a balance of Rs.2,641/40. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that full recovery/regularization had been verified by Audit. **The para was settled.**

(13) Draft Para 2933 E.T.O., Layyah, Rs.104,970/-

17-2-2001: Audit reported that partial recovery of Rs.78,699/- had been verified and that an amount of Rs.44,004/- was not recoverable, the tax being not due. The balance recoverable amount therefore came to Rs.26,281/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that a further recovery of Rs.10,441/- had been verified leaving a balance of Rs.15,840/-. The para was kept pending.

20-8-2001: The entire amount had been recovered and verified by Audit. **The para was settled.**

(14) Draft Para 2935 E.T.O., Layyah, Rs.65,593/-

17-2-2001: Audit reported that a partial recovery of Rs.23,781/- had been verified, leaving a balance of Rs.12,990/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that a further recovery of Rs.2,190/- had been verified leaving a balance of Rs.10,800/-. The para was kept pending.

20-8-2001: The entire amount had been recovered and verified by Audit. **The para was settled.**

(15) Para 2940 E.T.O., Layyah, Rs.17,760/-

17-2-2001: Audit reported that total amount stood liquidated and verified. **The para was settled.**

(16) Para 4139 E.T.O., Rahim Yar Khan, Rs.28,243/-

17-2-2001: Audit reported that the entire amount stood verified. **The PAC settled the para.**

(17) Draft Para 4298 E.T.O., Lahore Zone-VI, Rs.16,061/-

17-2-2001: Audit reported that no reply had been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been made by the Department. The para was kept pending.

20-8-2001: The Department explained that the entire amount involved had been recovered and verified by Audit. **The para was settled.**

(18) Para 2870 E.T.O., Sheikhpura, Rs.10,124/-

17-2-2001: Audit reported that the entire amount had been verified. **The para was settled.**

4.1(d) Due to Non-issuance of Demand Notice: Aggregate Amount Rs.2,637,126/-

(19) Para 4636 E.T.O., Lahore Zone-III, Rs.10,733/-

17-2-2001: Audit reported that the entire amount stood verified. **The para was settled.**

(20) Draft Para 4191 E.T.O., Lahore Zone-IV, Rs.120,837/-

17-2-2001: Audit reported that partial recovery of Rs.4,637/- had been verified leaving a balance of Rs.116,200/-. The para was kept pending.

20-8-2001: The Department explained that entire amount had been recovered, and verified by Audit. **The para was settled.**

(21) Para 4230 E.T.O., Lahore Zone-IX, Rs.146,304/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: The Audit reported that recovery of Rs.68,564/- had been verified, leaving a balance of Rs.77,740/-. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The Department explained that the recovery had been made and verified by Audit. **The para was settled.**

(22) Draft Para 4605 E.T.O., Lahore Zone-V, Rs.43,426/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.25,066/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that total recovery had been made and would be got verified from Audit. The para was settled.

2-10-2001: The Department explained that total recovery had been made and got verified by Audit. **The para was settled.**

4.1(e) Due to Non-recovery of 15 Percent Share of Provincial Government from Cantonment Boards Aggregate Amount Rs.2,447,787/-

(23) Para 4550 E.T.O., Gujranwala, Rs.240,837/-

17-2-2001: Audit reported that entire amount of Rs.240,837/- had been recovered and verified. **The para was settled.**

(24) Para 4621 E.T.O., Multan-I, Rs.480,790/-

(25) Para 4545 E.T.O., Sargodha, Rs.125,127/-

(26) Para 4578 E.T.O., Sargodha, Rs.244,729/-

17-2-2001: Audit reported that no reply had been provided by the Department. The paras were kept pending.

14-6-2001: Audit reported that full recovery/regularization action had been verified. **These paras were settled.**

(27) Para 4652 E.T.O., Entertainment Lahore, Rs.862,451/-

17-2-2001: Audit reported that the entire amount of Rs.862,451/- had been recovered and verified. **The para was settled.**

(28) Para 2712 E.T.O., Sargodha, Rs.493,853/-

17-2-2001: Audit reported that an amount of Rs.493,853/- had been recovered and verified. **The para was settled.**

4.1(f) Due to Non-levy of Additional Tax Aggregate Amount Rs.776,444/-**(29) Draft Para 4397 E.T.O., Kasur, Amounting to Rs.58,522/-**

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.32,824/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that total recovery had been made. The para was settled subject to verification by Audit.

2-10-2001: The Department explained that total recovery had been made and got verified by Audit. **The para was settled.**

(30) Para 4620 (I) E.T.O., Multan-I, Rs.18,995/-

17-2-2001: Audit reported that actual recoverable amount was Rs.144,044/- which had been recovered and verified. **The para was settled.**

(31) Para 4620 (II) E.T.O., Multan-II, Rs.22,591/-

17-2-2001: Audit reported that the entire amount had been recovered and verified. **The para was settled.**

(32) Para 4620 (III) E.T.O., Multan-III, Rs.99,468/-

17-2-2001: Audit reported that the entire amount had been recovered and verified. **The para was settled.**

(33) Para 4609 E.T.O., Bahawal Nagar, Rs.41,936/-

17-2-2001: Audit reported that the entire amount of Rs.41,936/- had been recovered and verified. **The para was settled.**

(34) Para 4641 E.T.O., Lahore Zone-I, Rs.11,054/-

17-2-2001: Audit reported that the entire amount of Rs.11,054/- had been recovered and verified. **The para was settled.**

(35) Para 4643 E.T.O., Lahore Zone-II, Rs.26,678/-

17-2-2001: Audit reported that the entire amount of Rs.26,678/- had been recovered and verified. **The para was settled.**

(36) Para 4682 E.T.O., Lahore Zone-III, Rs.257,199/-

17-2-2001: Audit reported that the entire amount of Rs.257,199/- had been recovered and

verified. **The para was settled.**

(37) Para 4494 E.T.O., Vehari, Rs.22,774/-

17-2-2001: Audit reported that the full recovery of the amount involved had been verified. **The para was settled.**

(38) Para 4282 E.T.O., Lahore Zone-I, Rs.44,516/-

17-2-2001: Audit reported that the actual recoverable amount of Rs.89,491/- had been recovered and verified. **The para was settled.**

(39) Para 2927 E.T.O., Mianwali, Rs.24,638/-

17-2-2001: Audit reported that entire amount stood liquidated and verified. **The para was settled.**

4.1(g) Due to Unlawful Exemption Aggregate Amount Rs.773,835/-

(i) Unassessed Revenue Amounting to Rs.490,793/-

(40) Para 4683 E.T.O., Lahore Zone-III, Rs.363,686/-

17-2-2001: Audit reported that the entire amount of Rs.363,686/- had been recovered and verified. **The para was settled.**

(41) Para 1655 E.T.O., Layyah, Rs.42,253/-

17-2-2001: Audit reported that the entire amount of Rs.42,253/- had been recovered and verified. **The para was settled.**

(ii) Unrealized Revenue amounting to Rs.241,867/-

(42) Draft Para 4627 E.T.O., Lahore Zone-VI, Rs.146,250/-

17-2-2001: Audit reported that an amount of Rs.130,250/- had been recovered leaving a balance of Rs.16,000/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.16,000/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The **para was settled** as the total recovery had been verified by Audit.

(43) Draft Para 4651 E.T.O., Lahore Zone-IV , Rs.12,980/-

17-2-2001: Audit reported that an amount of Rs.6,804/- had been recovered leaving a balance of Rs.6,176/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.6,176/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The **para was settled** as the total recovery had been verified by Audit.

(44) Para 4615 E.T.O., Multan-I, Rs.33,150/-

17-2-2001: Audit reported that the entire amount of Rs.33,150/- had been recovered and verified. **The para was settled.**

(iii) Loss of Revenue Amounting to Rs.41,175/-**(45) Para 4587 E.T.O., Sargodha, Rs.16,875/-**

17-2-2001: Audit reported that the entire amount of Rs.16,875/- had been recovered and verified. **The para was settled.**

(46) Para 4649 E.T.O., Lahore Zone-IV, Rs.24,300/-

17-2-2001: Audit reported that the entire amount of Rs.24,300/- had been recovered and verified. **The para was settled.**

4.1(h) Due to Omission in Carrying Forward of Annual Value of Taxable Property Units Aggregate Amount Rs.197,295/-**(47) Para 4585 E.T.O., Sargodha, Rs.21,060/-**

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that full recovery/regularization action had been verified by Audit. **The para was settled.**

(48) Para 4679 E.T.O., Lahore Zone-III, Rs.35,410/-

17-2-2001: Audit had verified that tax was not due on account of exemption under section 4(f). **The para was settled.**

(49) Para 2938 E.T.O., Layyah, Rs.26,888/-

17-2-2001: Audit reported that the entire amount had been recovered and verified. **The para was settled.**

(50) Para 2939; E.T.O., Layyah, Rs.18,000/-

17-2-2001: Audit had verified that the amount was not due. **The para was settled.**

4.1(i) Due to Incorrect Deletion of Taxable Property Units;**(51) Para 4283; E.T.O., Lahore -Rs.36,383/-**

17-2-2001: Audit had verified that recovery was not due. **The para was settled.**

4.2(a) Short Realization of Property Tax: Aggregate Amount Rs.902,480/- Due to Non-consolidation of Property Units Owned by the Same Person Rs.402,998/-**(52) Para 4246 E.T.O., Lahore Zone-IV, Rs.13,360/-****(53) Para 4274 E.T.O., Lahore Zone-VIII, Rs.27,400/-****(54) Para 4680 E.T.O., Lahore Zone-III, Rs.36,417/-****(55) Para 4628 E.T.O., Lahore Zone-VI, Rs.10,918/-**

17-2-2001: Audit reported that the entire amount had been recovered and verified. **These paras were settled.**

(56) Para 4557 E.T.O.-I, Gujranwala Rs.11,495/-, E.T.O.-II Gujranwala Rs.23,300/-, E.T.O.-III Gujranwala Rs.17,656/-, E.T.O.-Sialkot Rs.31,764/-

17-2-2001: Audit reported that an amount of Rs.7,191/- had been recovered leaving a balance of Rs.77,024/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was

Rs.77,024/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that entire amount of the para was recovered and may be settled.

Audit reported that recovery had been verified. **The Committee settled the para.**

(57) Para 4547 E.T.O., Sargodha, Rs.22,910/-

17-2-2001: Audit reported that the entire amount of Rs.22,910/- had been recovered and verified. **The para was settled.**

(58) Para 4582 E.T.O., Khushab, amounting to Rs.11,854/-

17-2-2001: Audit reported that the entire amount had been verified. **The para was settled.**

4.2(b) Due to Computational errors Rs. 2,89,680/-

(59) Para 4681 E.T.O., Lahore Zone-V, Rs.15,373/-

17-2-2001: Audit reported that entire amount had been recovered and verified. **The Committee settled the para.**

(60) Para 4554 E.T.O., Sialkot, Rs.21,467/-

17-2-2001: Audit reported that an amount of Rs.21,052/- had been recovered leaving a balance of Rs.415/-. The para was kept pending.

14-6-2001: Audit reported that full recovery/regularization action had been verified by Audit. **The para was settled.**

(61 & 62) Para 4653 & 4635

17-2-2001: Audit reported that the entire amount had been recovered and verified. **The paras were settled.**

(63) Para 4579 E.T.O., Sargodha/Khushab, Rs.16,126/-

17-2-2001: Audit reported that out of total recoverable amount of Rs.29,124/- an amount of Rs.12,998/- had been recovered and verified, leaving a balance of Rs.16,126/-. The para was kept pending.

14-6-2001: Audit reported that full recovery/regularization action had been verified by Audit. **The para was settled.**

(64) Para 4199 E.T.O., Lahore Zone-VI, Rs.12,463/-

17-2-2001: Audit reported that the entire amount had been recovered and verified. **The para was settled.**

4.2(c) Due to Non-increase of Annual Rental Value Rs.172,952/-

(65) Para 4580 E.T.O., Sargodha, Rs.60,150/-

17-2-2001: Audit reported that an amount of Rs.34,680/- had been recovered and verified leaving a balance of Rs.25,470/-. The para was kept pending.

14-6-2001: Audit reported that full recovery/regularization action had been verified by Audit. **The para was settled.**

(66) Draft Para 3014 E.T.O., Rajan Pur, Rs.11,332/-

17-2-2001: Audit reported that an amount of Rs.681/30 had been recovered leaving a balance of Rs.11,332/15. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.11,332/15 and no progress had been shown by the Department since then. The para was kept pending..

20-8-2001: The total recovery had been verified by Audit. **The para was settled.**

(67) Para 4551 E.T.O., Sialkot, Rs.37,044/-

17-2-2001: Audit reported that the entire amount had been recovered and verified. **The para was settled.**

(68) Para 4495 E.T.O., Vehari, Rs.19,577/-

17-2-2001: Audit reported that the amount was reduced to Rs.9,843/- by the DAC on 13-14 April, 1999 and an amount of Rs.9,734/- had been recovered and verified. **The para was settled.**

4.2(d) Due to Incorrect Effect of Orders Passed Under Section 9C(III)

(69) Para 4284, E.T.O., Zone-I, Lahore - Rs. 25,395/-

17-2-2001: Audit reported that actual recoverable amount of Rs.28,996/- had been recovered and verified. **The para was settled.**

14-6-2001: Already settled in previous meeting held on February 17, 2001.

20-8-2001: **Already settled** in previous meeting held on February 17, 2001.

4.2(e) Due to Incorrect Effect of Revision Appeal Rs.11,455/-

(70) Para 4399 E.T.O., Kasur

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The recovery had been verified by Audit. **The para was settled.**

B-MOTOR VEHICLE TAX

4.3 Non-recovery of Token Tax Rs.1,655,362/-

(71) Para 4546 E.T.O., Sargodha, Amounting to Rs.176,532/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that full recovery/regularization action had been verified by Audit. **The para was settled.**

(72) Para 4497 E.T.O., Vehari Rs.312,204/-

17-2-2001: Audit reported that recovery of Rs.161,486/- had been verified, leaving a balance of Rs.150,718/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.150,718/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: As the entire amount had been recovered and verified by Audit, **the para was settled.**

(73) Para 4581 E.T.O. Khushab Rs.147,263/- E.T.O. Sargodha Rs.106,508/-

17-2-2001: Audit reported that an amount of Rs.147,263/- had been verified leaving a balance of Rs.106,508/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.106,508/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: As the entire amount had been recovered and verified by Audit, **the para was settled.**

(74) Para 4398 E.T.O., Kasur, Rs.78,548/-

17-2-2001: Audit reported that the no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that full recovery/regularization action had been verified by Audit. **The para was settled.**

(75) Para 4610 E.T.O., Bahawalnagar, Rs.26,729/-

17-2-2001: Audit reported that the entire amount had been recovered and verified. **The para was settled.**

(76) Para 4403 E.T.O., Pakpattan, Rs.175,378/-

17-2-2001: Audit reported that recovery of Rs.150,176/- and reduction of Rs.180,181/- had been verified leaving a balance of Rs.11,592/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.11,598/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: As the entire amount had been recovered and verified by Audit, **the para was settled.**

(77) Para 4354 E.T.O., Muzaffargarh, Rs.63,696/-

17-2-2001: Audit reported that an amount of Rs.8,694/- had been recovered leaving a balance of Rs.55,002/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.55,002/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Administrative Secretary informed that the entire recovery had been effected. **The para was settled.**

(78) Para 4624 E.T.O., Lahore Non-tie-up, Rs.26,257/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was

Rs.17,594/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Administrative Secretary informed that the entire recovery had been effected. **The para was settled.**

(79) Para 4422 E.T.O., Lodhran, Rs.19,709/-

17-2-2001: Audit reported that the entire amount of Rs.19,709/- had been recovered and verified. **The para was settled.**

(80) Para 2934 E.T.O., Layyah, Rs.65,122/-

17-2-2001: Audit reported that the recovery of Rs.61,678/- had been verified leaving a balance of Rs.3,448/-. The para was kept pending.

14-6-2001: Audit reported that full recovery/regularization action had been verified by Audit. **The para was settled.**

(81) Para 4140 E.T.O., Rahim Yar Khan, Rs.35,310/-

17-2-2001: Audit reported that recoverable amount of Rs.35,310/- had been recovered and verified. **The para was settled.**

(82) Para 4147 E.T.O., Khanewal, Rs.35,310/-

17-2-2001: Audit reported that the entire amount had been recovered and verified. **The para was settled.**

4.4 Short Realization of Token Tax Rs. 69,642/-

(83) Para 4355 E.T.O., Muzaffargarh, Amounting to Rs.55,790/-

17-2-2001: Audit reported that an amount of Rs.16,920/- had been recovered leaving a balance of Rs.38,870/- The para was kept pending.

14-6-2001: Audit reported that full recovery/regularization action had been verified by Audit. **The para was settled.**

(84) Para 3027 E.T.O., D.G. Khan, Rs.22,668/-

17-2-2001: Audit reported that the entire amount of Rs.22,668/- had been recovered and verified. **The para was settled.**

C-COTTON FEE

4.5 Non-realization of Cotton Fee Amounting to Rs.158,120/-

(85) Para 4060 E.T.O. Faisalabad, Rs.126,852/-

17-2-2001: Audit reported that the entire amount had been verified. **The para was settled.**

(86) Para 4165 E.T.O., Okara, Rs.65,420/-

17-2-2001: Audit reported that an amount of Rs.34,152/- had been recovered and verified leaving a balance of Rs.31,268/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.31,268/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Administrative Secretary informed that the entire recovery had been effected

which had been verified by Audit. **The para was settled.**

D-EDUCATION CESS

4.6 Non-realization of Education Cess Rs.596,625/-

(87) (ii) Para 4588 PB/EC (E.T.O., Sargodha) Rs.129,350/-

17-2-2001: Audit reported that an amount of Rs.83,450/- had been recovered and verified leaving a balance of Rs.45,900/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.45,900/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Administrative Secretary informed that the entire recovery had been effected and verified by Audit. **The para was settled.**

(88) (iii) Para 4548 PB/EC E.T.O., Khushab Rs.39,550/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The Administrative Secretary informed that the entire recovery had been effected and verified by Audit. **The para was settled.**

(89) (iv) Para 2937 E.T.O., Layyah Rs.27,000/-

17-2-2001: Audit reported that entire amount had been verified. **The para was settled.**

E-HOTEL TAX

4.7 Non-assessment and Recovery of Hotel Tax Rs.852,290/-

(90 & 91) Paras No.3079 and 4618 E.T.O.-III, Multan

17-2-2001: Audit reported that no reply had been made by the Department. The paras were kept pending.

14-6-2001: Audit reported that no reply had been made by the Department. The paras were kept pending.

20-8-2001: The Department explained that Guest House did not fall under the definition of hotel. The Committee accepted the explanation of Department and **the paras were settled.**

F-VIDEO TRADE TAX

4.8 Non-realization of Video Trade Tax of Rs.331,000/-

(92) Para 4499 E.T.O., Vehari Rs.150,000/-

17-2-2001: Audit reported that an amount of Rs.34,000/- had been recovered and verified leaving a balance of Rs.116,000/- The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.116,000/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that video tax had since been withdrawn. The assesses were running their business in temporary buildings, which had since been vacated (dis-possessed) and assesses were not traceable. The Finance Department would be moved to write off the amount. **The para was settled.**

(93) Para 4612 E.T.O., Bahawalpur Rs.72,000/-

17-2-2001: Audit reported that an amount of Rs.36,000/- had been recovered and verified leaving a balance of Rs.36,000/- The para was kept pending.

14-6-2001: Audit reported that full recovery/regularization action had been verified by Audit. **The para was settled.**

(94) Para 4584 E.T.O., Sargodha Rs.36,000/- E.T.O. Khushab Rs.21,000/-

17-2-2001: Audit reported that an amount of Rs.25,000/- had been recovered and verified leaving a balance of Rs.32,000/- The para was kept pending.

14-6-2001: Audit reported that full recovery/regularization action had been verified by Audit. **The para was settled.**

(95) Para 4420 E.T.O., Lodhran Rs.52,000/-

17-2-2001: Audit reported that the entire amount had been recovered and verified. **The para was settled.**

ANNEXURE 'A'

122000-Urban Immovable Property

Actual Receipts

Revised Estimates

Rs.229,838,000/-

Audit Figures

Rs.776,128,446/-

Departmental Figures

Rs.223,771,539/11

17-2-2001: The Department explained that total collection under this head during the year 1996-97 was Rs.1,162,449,554/- and the net Grant share was Rs.223,771,539/-. The Audit figures included unpaid share of Local Bodies.

The Committee directed that the figures should be reconciled between the Excise & Taxation Department, Accountant General Punjab, Finance Department and Local Bodies, and verified by Audit within 3 months. The item was kept pending.

14-6-2001: In the previous meeting held on February 17, 2001 the Committee had directed that the figures should be reconciled between the Excise & Taxation Department, Accountant General Punjab, Finance Department and Local Bodies, and verified by Audit within 3 months, but the reconciliation had not been done. The Committee directed that the figures should be reconciled before the next meeting. The item was kept pending.

20-8-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

2-10-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

10-1-2002: The statement was **noted by the Committee.**

ANNEXURE 'B'

0123000-Transfer of Property Tax (Registration Fee)**ANNEXURE 'C'****0250000-Provincial Excise****Actual Receipts****Revised Estimates**

Rs.380,138,000/-

Audit Figures

Rs.358,436,111/-

Departmental Figures

Rs.385,927,578/-

17-2-2001: The Committee directed that the figures should be reconciled with the Accounts Office and verified by Audit within 3 months. The item was kept pending.

14-6-2001: In the previous meeting held on February 17, 2001, the Committee had directed that the figures should be reconciled with the Accounts Office and verified by Audit within 3 months, but the reconciliation had not been done. The Committee directed that the figures should be reconciled before the next meeting. The item was kept pending.

20-8-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

2-10-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

10-1-2002: The statement was **noted by the Committee.**

ANNEXURE 'E'**0281000-Receipts Under Motor Vehicle Ordinance 1965****Registration Fee and Misc. Receipts****Actual Receipts****Revised Estimates**

Rs.135,606,000/-

Audit Figures

Rs.259,355,365/-

Departmental Figures

Rs.259,355,365/-

17-2-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit within 3 months. The item was kept pending.

14-6-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit before the next meeting. The item was kept pending.

20-8-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

2-10-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

10-1-2002: The statement was **noted by the Committee.**

ANNEXURE 'F'**0282000-Receipts Under Motor Vehicle Taxation Act 1958****(Token Tax)****Actual Receipts****Revised Estimates****Audit Figures****Departmental Figures**

Rs.743,620,000/-

Rs.569,304,744/-

Rs.601,267,560/-

17-2-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit within 3 months. The item was kept pending.

14-6-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit before the next meeting. The item was kept pending.

20-8-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

2-10-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

10-1-2002: The statement was **noted by the Committee.**

ANNEXURE 'H'

0291000-Entertainment Tax

Actual Receipts

Revised Estimates

Rs.190,000,000/-

Audit Figures

Rs.168,921,233/-

Departmental Figures

Rs.167,438,309/-

17-2-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit within 3 months. The item was kept pending.

14-6-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit before the next meeting. The item was kept pending.

20-8-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

2-10-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

10-1-2002: The statement was **noted by the Committee.**

ANNEXURE 'I'

0293100 Education Cess

Actual Receipts

Revised Estimates

Rs.1,100,000/-

Audit Figures

Rs.1,026,692/-

Departmental Figures

Rs.910,413/-

17-2-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit within 3 months. The item was kept pending.

14-6-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit before the next meeting. The item was kept pending.

20-8-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

2-10-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

10-1-2002: The statement was **noted by the Committee.**

ANNEXURE 'J'**02934000 Tax On Hotels****Actual Receipts****Revised Estimates**

Rs.68,900,000/-

Audit Figures

Rs.68,312,034/-

Departmental Figures

Rs.72,125,949/-

17-2-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit within 3 months. The item was kept pending.

14-6-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit before the next meeting. The item was kept pending.

20-8-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

2-10-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

10-1-2002: The statement was **noted by the Committee.**

ANNEXURE 'K'**0294000 Cotton Fee****Actual Receipts****Revised Estimates**

Rs.250,000,000/-

Audit Figures

Rs.243,161,397/-

Departmental Figures

Rs.252,717,000/-

17-2-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit within 3 months. The item was kept pending.

14-6-2001: The Committee directed that the figures should be reconciled with the Accounts Office and got verified by Audit before the next meeting. The item was kept pending.

20-8-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

2-10-2001: The working paper in respect of the above mentioned account was not received and hence was kept pending.

10-1-2002: The statement was **noted by the Committee.**

Paras Conditionally Settled

(Revenue Receipts Audit)

1. Para 4.1: Pages 15 to 40; A-Non-realization of Property Tax Rs.32,290,315/-

4.1(a) Due to Non-recovery of Arrears- Aggregate Amount Rs.13,198,201/-

(1) Para 4606 E.T.O., Zone-V, Lahore, Rs.1,566,122/-

17-2-2001: Audit reported that partial recovery of Rs.1,517,982/- had been made and verified leaving a balance of Rs.1,048,140/-. The amount of the para was accordingly reduced and the para

was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.1,048,140/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending, for balance recovery, and completion of disciplinary action, if necessary.

2-10-2001: The Department was directed to finalize the recovery of Government dues. The para was kept pending.

10-1-2002: The Department was directed to make the recovery and **Finance Department was directed to monitor** the same. With the above direction, **the para was settled.**

(2) Para 4676 E.T.O., Lahore Zone-IX, Rs.795,068/-

17-2-2001: Audit reported that partial recovery of Rs.375,519/49 had been made and verified leaving a balance of Rs.419,548/51. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.419,548/51 and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending for the recovery of the balance amount Rs.419,548/-.

2-10-2001: The Department explained that 28 ETOs and 12 retired ETOs were being proceeded against for non-issuance of notices and non-realization of tax. The para was kept pending.

10-1-2002: **The para was settled** with the direction that recovery of the balance should be effected expeditiously by the Administrative Department and **monitored by the Finance Department.**

(3) Para 4678 E.T.O., Lahore Zone-III, amounting to Rs.428,296/-

17-2-2001: Audit reported that partial recovery of Rs.415,519/- had since been made leaving a balance amount of Rs.12,777/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.12,777/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that this para was linked to Draft Para 4677 and the case was in the Civil Court; the next date of hearing was fixed 12th September 2001. The para was kept pending.

2-10-2001: The Department explained that the case was still sub-judice. The para was kept pending.

10-1-2002: **The para was settled** with the direction that Administrative Department should effect the recovery subject to decision of the court and **the Finance Department should monitor** the same.

(4) Para 4626 E.T.O., Lahore Zone-VI, Rs.165,154/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was

kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The Department explained that the entire amount had been recovered and the record was yet to be verified. **The Committee settled the para subject to verification of record by Audit.**

(5) Para 2223 E.T.O., Lahore Zone-IX, Rs.543,105/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The Department reported that the file was missing. Audit informed that its file had been traced out. Audit was directed to provide photo-copies of the same to the Department. The para was kept pending.

10-1-2002: **The para was settled** with the direction that the recovery of balance (Rs.243,812) should be effected by Administrative Department expeditiously and **monitored by the Finance Department.**

(6) Para 4242 E.T.O., Lahore Zone-IV, Rs.270,030/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The Department explained that the recovery related to LDA and had been stayed by the Court. The para was kept pending.

2-10-2001: The Department explained that the case was still sub-judice. The para was kept pending.

The Committee suggested that the Department should approach Secretary Finance to convene a meeting of all the local bodies concerned to settle their disputes directly instead of resorting to litigation.

10-1-2002: The Department explained that the amount related to the LDA. Recovery had been stayed by the Court and the matter was sub-judice.

The Committee decided that the Department should proceed to effect the recovery according to the decision of the court and **Finance Department should monitor** the same. With the above direction, **the para was settled.**

4.1(b) Due to Non-Issuance of Demand Notices In R/O Property Units owned by WAPDA, PTCL and GDA Aggregate Amount Rs.8,808,839/-

(7) Para 1479, E.T.O., Bahawalpur-Rs.25,245/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The

Committee directed that the case of GDA be separately dealt with as suggested in the general observation given below. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(8) D.P-1713, E.T.O., Rajan Pur-Rs.16,580/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL, the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(9) Para 1729: E.T.O., Shekhupura-Rs.63,737/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the

Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(10) Para 2163; E.T.O., Sahiwal - Rs.30,337/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL, the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(11) Para 2628; E.T.O., T.T. Singh-Rs.13,856/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL, the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(12) Para 2873; E.T.O., Sheikhpura-Rs.118,639/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL, the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(13) Para 3010; E.T.O., Rajan Pur - Rs.20,240/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL, the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(14) Para 3025; E.T.O., D.G. Khan - Rs.30,825/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(15) Para 3081, E.T.O., Multan-III - Rs.116,353/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL, the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(16) Para 4146; E.T.O., Khanewal-Rs.47,698/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was

accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL, the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(17) Para 4061; E.T.O., Faisalabad - Rs.93,099/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL, the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(18) Para 4073; E.T.O., Faisalabad-Rs.35,438/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL, the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the

Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(19) Para 4171; E.T.O., Sahiwal-Rs.74,318/-

17-2-2001: The Department explained that the entire amount was outstanding against WAPDA and the matter was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the entire amount was outstanding against WAPDA, PTCL and GDA and the matter was pending with Inter Provincial Coordination Committee. The Committee directed that the case of GDA be separately dealt with as suggested in PDP No.1479. The para was kept pending.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was accordingly kept pending.

2-10-2001: The Department explained that the matters concerning with WAPDA were under reconciliation. In the matters relating to PTCL, the High Court had disposed of the case along with the case of Local Bodies for Octroi, without any specific decision about property tax and the Department would file a review petition.

The Department further explained that the matters relating to GDA would be decided in the Secretaries' Conference. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(20) Para 4556 E.T.O., I, II, III, Gujranwala, E.T.O., Sialkot, Rs.3,912,355/-

17-2-2001: The Department explained that the amount involved is outstanding against PTCL, WAPDA and GDA. The case of PTCL was pending in the High Court. The case of WAPDA was pending in Inter Provincial Coordination Committee. The case of GDA was pending in Supreme Court vide CPLA No.36-LOF 2001 dated January 3, 2001. The para was kept pending.

14-6-2001: The Department explained that the amount involved is outstanding against PTCL, WAPDA AND GDA. The case of PTCL was pending in the High Court. The case of WAPDA was pending in Inter Provincial Coordination Committee. The case of GDA was pending in Supreme Court vide CPLA No.36-LOF 2001 dated January 3, 2001. The para was kept pending.

20-8-2001: The para was kept pending till the decision by the Courts or IPCC.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(21) Para 4238 E.T.O., Lahore Zone-IV, Rs.277,788/-

17-2-2001: The Department explained that total amount is outstanding against PTCL and the High Court had issued stay order in the case. The para was kept pending.

14-6-2001: The Department explained that total amount is outstanding against PTCL and the High Court had issued stay order in the case. The para was kept pending.

20-8-2001: The para was kept pending till the decision by the Court.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(22) Para 2845 E.T.O., Narowal-Rs.63,744/-

17-2-2001: The Department replied that the entire amount was outstanding against PTCL and WAPDA. The case of PTCL was pending in the High Court while the case of WAPDA was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department replied that the entire amount was outstanding against PTCL and WAPDA. The case of PTCL was pending in the High Court while the case of WAPDA was pending with Inter Provincial Coordination Committee. The para was kept pending.

20-8-2001: The Department explained that the case of PTCL is pending in Lahore High Court and the WAPDA case is pending with the IPCC. The para was kept pending.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(23) Para 4543; E.T.O., Sargodha- Rs.1,827,825/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(24) Para 2156; E.T.O., Sahiwal-Rs. 24,488/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(25) Para 1728; E.T.O., Sheikhpura-Rs. 12,360/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(26) Para 1801; E.T.O., Multan-I- Rs. 480,009/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(27) Para 1701; E.T.O., Vehari- Rs. 16,821/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(28) Para 4166; E.T.O., Okara- Rs. 26,679/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(29) Para 4148; E.T.O., Khanewal- Rs. 25,986/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(30) Para 4172; E.T.O., Sahiwal - Rs. 64,319/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(31) Para 4071; E.T.O., Faisalabad - Rs. 3,12,837/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units

owned by the PTCL which has been stayed by LHC. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(32) Para 4539; E.T.O., Bhakkar- Rs. 39,994/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by the PTCL which has been stayed by LHC. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(33) Para 2187; E.T.O., Zone-I, Lahore- Rs. 14,367/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by WAPDA and the same was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by WAPDA and the same was pending with Inter Provincial Coordination Committee. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(34) Para 3028; E.T.O., DG Khan- Rs. 16,578/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by WAPDA and the same was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by WAPDA and the same was pending with Inter Provincial Coordination Committee. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(35) Para 4650; E.T.O., Zone-II Lahore- Rs. 4,36,870/-

17-2-2001: The Department explained that the amount was outstanding against the property units owned by WAPDA and the same was pending with Inter Provincial Coordination Committee. The para was kept pending.

14-6-2001: The Department explained that the amount was outstanding against the property units owned by WAPDA and the same was pending with Inter Provincial Coordination Committee. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(36) Para 4639; E.T.O., Zone I, Lahore- Rs. 36,450/-

17-2-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

14-6-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(37) Para 3018; E.T.O., D.G. Khan- Rs. 1,66,202/-

17-2-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

14-6-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(38) Para 4244; E.T.O., Zone IV, Lahore- Rs. 27,779/-

17-2-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

14-6-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(39) Para 4245; E.T.O., Zone-IV, Lahore- Rs. 18,563/-

17-2-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

14-6-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative

Department and its **monitoring by the Finance Department.**

(40) Para 4270; E.T.O., Zone-VII, Lahore- Rs. 61,810/-

17-2-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

14-6-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

(41) Para 4190; E.T.O., Zone-VI, Lahore- Rs. 2,58,650/-

17-2-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

14-6-2001: The Department explained that the amount involved in the para was outstanding against the property units owned by PTCL in which the Lahore High Court had granted stay. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

10-1-2002: The para was settled subject to recovery/necessary action by Administrative Department and its **monitoring by the Finance Department.**

4.1(c) Due to Omission in Carrying Forward of Arrears, Aggregate Amount Rs.3,414,405/-

(42) Para 4617 E.T.O., Multan-I Rs.523,288/- E.T.O. Multan-II Rs.109,788/-E.T.O. Multan-II Rs.109,920/-E.T.O. Multan-III Rs.53,696/-

17-2-2001: Audit reported that partial recovery of Rs.322,824/- had been verified leaving a balance of Rs.23,280/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.23,280/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that the case was being pursued vigorously in the Civil Court Multan. The para was kept pending.

2-10-2001: The Department explained that the case was still subjudice. The para was kept pending.

10-1-2002: The para was settled with the direction that necessary action/recovery should be effected by the Administrative Department and **monitored by the Finance Department.**

(43) Para 4629 E.T.O., Lahore Zone-VII, Rs.146,750/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The Department explained that MCL had recovered the amount and the receipts were with the MCL; the Department had taken up the matter with the MCL to get the relevant receipts. The para was kept pending.

2-10-2001: The previous decision dated August 20, 2001 was reiterated. The para was kept pending.

10-1-2002: The **para was settled** with the direction that necessary action/recovery should be effected by the Administrative Department and **monitored by the Finance Department.**

(44) Para 4642 E.T.O., Lahore Zone-II, Rs.259,539/-

17-2-2001: Audit reported that partial recovery of Rs.124,328/- had been verified leaving a balance of Rs.135,211/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.135,211/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that MCL had recovered the amount and the receipts were with the MCL; the Department had taken up the matter with the MCL to get the relevant receipts. The Para was kept pending for full recovery.

2-10-2001: The previous decision dated August 20, 2001 was reiterated. The para was kept pending.

10-1-2002: The **para was settled** with the direction that necessary action/recovery should be effected by the Administrative Department and **monitored by the Finance Department.**

(45) Para 4672 E.T.O., Lahore Zone-IX, Rs.99,426/-

17-2-2001: Audit reported that partial recovery of Rs.30,164/- had been verified leaving a balance of Rs.69,262/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.69,262/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending, for recovery of the balance.

2-10-2001: The para was kept pending, for recovery of the balance.

10-1-2002: The **para was settled** with the direction that necessary action/recovery should be effected by the Administrative Department and **monitored by the Finance Department.**

(46) Para 4232 E.T.O., Lahore Zone-VIII, Rs.77,602/-

17-2-2001: Audit reported that actual recoverable amount was Rs.79,641/- and no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that actual recoverable amount was Rs.79,641/- and no reply had since been made by the Department. The para was kept pending.

20-8-2001: The Department explained that the balance amount related to properties administered by MCL and the Director Property Tax MCL had been approached for the recovery of the

government dues. The para was kept pending.

2-10-2001: The para was kept pending for recovery of the balance amount.

10-1-2002: The **para was settled** with the direction that necessary action/recovery should be effected by the Administrative Department and **monitored by the Finance Department.**

(47) Para 4228 E.T.O., Lahore Zone-VIII, Rs.761,893/-

17-2-2001: Audit reported that no reply had been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been made by the Department. The para was kept pending.

20-8-2001: The Department explained that amount involved is against the properties being administered by MCL, and the matter had been taken up with the Director, Property Tax MCL for the recovery of government dues. The para was kept pending.

2-10-2001: The previous directive of the Committee was reiterated. The para was kept pending for recovery of balance amount.

10-1-2002: The **para was settled** with the direction that necessary action/recovery should be effected by the Administrative Department and **monitored by the Finance Department.**

(48) Para 4271 E.T.O., Lahore Zone-VII, Rs.46,440/-

17-2-2001: Audit reported that no reply had been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been made by the Department. The para was kept pending.

20-8-2001: The Department explained that amount involved is against the properties being administered by MCL the matter had been taken up with MCL for the recovery of government dues. The para was kept pending.

2-10-2001: The previous directive of the Committee was reiterated. The para was kept pending for recovery of balance amount.

10-1-2002: The **para was settled** with the direction that necessary action/recovery should be effected by the Administrative Department and **monitored by the Finance Department.**

(49) Para 4277 E.T.O., Lahore Zone-VII, Rs.19,061/-

17-2-2001: Audit reported that no reply had been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been made by the Department. The para was kept pending.

20-8-2001: The Department explained that amount involved is against the properties being administered by MCL and the matter had been taken up with it for the recovery of government dues. The para was kept pending.

2-10-2001: The previous directive of the Committee was reiterated. The para was kept pending for recovery of balance amount.

10-1-2002: The **para was settled** with the direction that necessary action/recovery should be effected by the Administrative Department and **monitored by the Finance Department.**

4.1(d) Due to Non-issuance of Demand Notice: Aggregate Amount Rs.2,637,126/-**(50) Para 4226 E.T.O., Lahore Zone-IX, Rs.49,300/-**

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The para was kept pending for recovery.

10-1-2002: The **para was settled** with the direction that recovery/necessary action should be effected by the Administrative Department and **monitored by the Finance Department.**

(51) Para 4501 E.T.O., Vehari, Rs.42,046/-

17-2-2001: The Department explained that the amount involved was not recoverable.

The Committee decided that the Department should produce the record to Audit for verification. The para was settled subject to verification.

14-6-2001: The Department explained that the amount involved was not recoverable.

The Committee decided that the Department should produce the record to Audit for verification. **The para was settled subject to verification by Audit.**

(52) Para 4648 E.T.O., Lahore Zone-IV, Rs.23,625/-

17-2-2001: Audit reported that partial recovery of Rs.6,566/- had been verified, leaving a balance of Rs.7,959/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.7,959/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending for balance recovery.

2-10-2001: The para was kept pending for balance recovery.

10-1-2002: The **para was settled** with the direction that recovery/necessary action should be effected by the Administrative Department and **monitored by the Finance Department.**

(53) Para 3012 E.T.O., Rajan Pur, Rs.17,735/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The Department explained that full amount had been recovered. **The para was settled subject to verification by Audit.**

(54) Para 4614 E.T.O., Multan, Rs.2,183,120/-

17-2-2001: Audit reported that partial recovery of Rs.388,252/- had been verified leaving a balance of Rs.1,794,868/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.1,794,868/- and no progress had been shown by the Department since then. The para was kept pending..

20-8-2001: The case was sub-judice and the para was kept pending.

2-10-2001: The case was sub-judice and the para was kept pending.

10-1-2002: The **para was settled** with the direction that recovery/necessary action should be

effected by the Administrative Department and **monitored by the Finance Department.**

4.1(f) Due to Non-levy of Additional Tax Aggregate Amount Rs.776,444/-

(55) Para 4229 E.T.O., Lahore Zone-VIII, Rs.148,073/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.107,115/- and no progress had been shown by the Department since then. The para was kept pending..

20-8-2001: The Department explained that Director, Property Tax MCL had been requested for recovery of government dues. The para was kept pending.

2-10-2001: The Committee reiterated its earlier directive. The para was kept pending for recovery of balance amount.

10-1-2002: The **para was settled** with the direction that recovery/necessary action should be effected by the Administrative Department and **monitored by the Finance Department.**

4.1(g) Due to Unlawful Exemption Aggregate Amount Rs.773,835/-

(i) Unassessed Revenue Amounting to Rs.490,793/-

(56) Para 4607 E.T.O., Lahore Zone-V, Rs.84,854/-

17-2-2001: Audit reported the actual amount of the para was Rs.162,991/-. An amount of Rs.143,411/- had been recovered leaving a balance of Rs.19,580/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.19,580/- and no progress had been shown by the Department since then. The para was kept pending. .

20-8-2001: The Department explained that balance amount was against PTCL and the matter was pending in the Lahore High Court. The para was kept pending.

2-10-2001: The Department explained that balance amount was against PTCL and the matter was pending in the Lahore High Court. The para was kept pending.

10-1-2002: The **para was settled** with the direction that recovery/necessary action should be effected by the Administrative Department and **monitored by the Finance Department.**

(ii) Un-realized Revenue Amounting to Rs.241,867/-

(57) Para 4608 E.T.O., Lahore Zone-V, Rs.49,487/-

17-2-2001: Audit reported that an amount of Rs.23,510/- had been recovered leaving a balance of Rs.25,977/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.25,977/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending for balance recovery.

2-10-2001: The para was kept pending for balance recovery.

10-1-2002: The **para was settled** with the direction that recovery/necessary action should be effected by the Administrative Department and **monitored by the Finance Department.**

4.2(a) Short Realization of Property Tax: Aggregate Amount Rs.902,480/- Due to Non-consolidation of Property Units Owned by the Same Person Rs.402,998/-

(58) Para 4288 E.T.O., Lahore Zone-V, Rs.15,373/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The para was kept pending for recovery.

10-1-2002: **The para was settled** with the direction that balance amount of Rs.866 should be recovered by the Administrative Department and **monitored by the Finance Department.**

(59) Para 4674 E.T.O., Lahore Zone-IX, Rs.84,827/-

17-2-2001: Audit reported that an amount of Rs.28,915/- had been recovered leaving a balance of Rs.55,912/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.55,912/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending for recovery of the balance.

2-10-2001: The para was kept pending for recovery of the balance.

10-1-2002: **The para was settled** with the direction that outstanding amount (Rs.26,460) should be recovered expeditiously by the Administrative Department and **monitored by the Finance Department.**

4.2(b) Due to Computational Errors Rs. 2,89,680/-**(60) Draft Para No.4673 E.T.O. Zone-IX Lahore Rs.96,721/-**

17-2-2001: Audit reported that an amount of Rs.71,635/- had been recovered leaving a balance of Rs.25,086/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.25,086/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that the amount had been recovered. The para was settled subject to verification by Audit.

2-10-2001: The para was kept pending for recovery of the balance.

10-1-2002: The Department explained that total recovery had been made. **The para was settled subject to verification** by Audit.

(61) Para 4273 E.T.O., Lahore Zone-VII, Rs.33,141/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The Department explained that the amount had been recovered. **The para was settled subject to verification by Audit.**

(62) Para 3013 E.T.O., Rajan Pur Rs.13,838/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The Department explained that full amount had been recovered. **The para was settled subject to verification by Audit.**

4.2(c) Due to Non-increase of Annual Rental Value Rs.172,952/-

(63) Para 4677 E.T.O., Lahore Zone-III, Rs.44,849/-.

17-2-2001: Audit reported that an amount of Rs.11,091/- had been recovered and verified. Tax was not due for an amount of Rs.18,827/-. The balance recoverable amount stands at Rs.14,931/-. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.14,931/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that this para was linked to Draft Para 4678 and the case was in the Civil Court, the next date of hearing being 12th September 2001. **The para was kept pending.**

10-1-2002: **The para was settled** with the direction that Administrative Department should effect the recovery subject to decision of the court and **the Finance Department should monitor** the same.

(64) Para 4248 E.T.O., Motor Vehicles (Tie-up)Lahore, Rs.259,335/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.178,620/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that the tax was due against 14 vehicles which were not traceable and efforts were continuing to trace them. The para was kept pending.

2-10-2001: The para was discussed at some length. The Committee suggested that a comprehensive data base should be compiled of all vehicles plying in the province for proper control. **The para was settled subject to verification of recoveries by Audit.**

(65) Para 4249 E.T.O., Motor Vehicles (Tie-up), Lahore, Rs.160,500/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that recovery of Rs.119,337/- had been verified, leaving a balance of Rs.41,163/-. The para was kept pending.

20-8-2001: The Department explained that the vehicles had been traced out in other districts. The tax had been paid and the Department was demanding certificates of payment of taxes from the respective districts. The para was settled subject to verification by Audit.

2-10-2001: The para was kept pending for recovery of the balance.

10-1-2002: **The para was settled subject to recovery** of balance amount of Rs. 26,295/-.

D-EDUCATION CESS

4.6 Non-realization of Education Cess Rs.596,625/-

(66) Para 4394-PB/EC (E.T.O., Kasur) Rs.400,625/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The para was kept pending for recovery of the balance Rs.122,000/-.

2-10-2001: The para was settled subject to verification by Audit of the recovery of the balance.

General Directive

Regarding the case of litigation with the Corporations/Autonomous Bodies/Local Bodies under the Punjab Government, the Committee directed that the Department should obtain the advice of the Law Department and Finance Department on the legal issues involved in the cases and if the contention of the Excise and Taxation Department was supported by the Law/Finance Departments, the matter should be placed before the Provincial Cabinet for consideration and decision.

Paras Pended

(Civil Audit)

1. Para 8.1: Page 99; Irregular Expenditure of Rs.289,604/- on account of Irregular Appointments

17-2-2001: Audit reported that three junior clerks were appointed in September 1993 without obtaining NOC from S&GAD as required under its letter dated July 20, 1990.

The Department contended that the said appointments were made after the ban had been lifted vide S&GAD letter dated August 10, 1993, and no NOC from S&GAD was required for the purpose.

The Committee directed the Department to inquire into the matter to determine the factual and legal position and take necessary action within 3 months. The para was kept pending.

14-6-2001: The Department explained that as per direction of the Committee dated February 17, 2000, the matter was referred to the S&GAD (Regulation Wing) who had advised that NOC from Welfare Wing was necessary even if ban on recruitment was lifted.

The Committee directed that action should be initiated immediately under the Punjab Removal from Service (Special Powers) Ordinance, 2000, against those officers who ignored and violated the government instructions in making recruitments without obtaining NOC from Welfare Wing, Services General Administration and Information Department. The Committee further directed that the appointments should be got regularised by the Services General Administration & Information Department (Welfare Wing). The para was settled subject to disciplinary action and regularisation.

20-8-2001: The Committee re-iterated its previous decision dated June 14, 2001. The para was

kept pending.

2-10-2001: The Committee expressed its dis-satisfaction for non-implementation of its previous directive by the Department regarding obtaining NOC from the Services General Administration & Information Department, and taking disciplinary action against the officers responsible for making appointments without the NOC. The Committee directed that its earlier decision should be implemented expeditiously. **The para was kept pending.**

(Revenue Receipts Audit)

B-MOTOR VEHICLE TAX

4.3 Non-recovery of Token Tax Rs.1,655,362/-

(1) Para 3009 E.T.O., Rajanpur, Rs.79,347/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The Department explained that the amount due was against 16 vehicles. Out of these against 13 vehicles the recovery had been effected whereas 3 vehicles were non-existent.

The para was kept pending with the direction that the record of 3 non-existing vehicles should be got verified by Audit.

2-10-2001: The para was kept pending with the direction that the record of 3 non-existing vehicles should be got verified by Audit.

10-1-2002: The Department explained that recovery of Rs.18,510 had been made and efforts were being made to recover the balance of Rs.60,837.

The Department was directed to get the record verified by Audit. **The para was kept pending.**

(Revenue Receipts Audit)

NOTE: The following paras were originally printed against Excise & Taxation Department in the Audit Report for the year 1996-97 Volume-III. However, Excise & Taxation Department explained to the Committee that certain Excise & Taxation Zones of Lahore were transferred to the Metropolitan Corporation Lahore along with record and liabilities.

The Committee therefore directed that these paras should stand transferred to Local Government & Rural Development Department.

4.1(a) Due to Non-recovery of Arrears- Aggregate Amount Rs.13,198,201/-

(1) Para 4275 E.T.O., Zone VII, Lahore Rs.24,781/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The Department explained that total recovery had been effected but the record was

yet to be verified.

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

2-10-2001: The previous decision dated August 20, 2001 was reiterated and the para was kept pending.

10-1-2002: The Department pointed out that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

(2) Para 4276 E.T.O., Zone-VII, Lahore Amounting to Rs.20,261/-

17-2-2001: Audit reported that no recovery had since been made. The para was kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The Department explained that partial recovery had been effected. The relevant record was with the MCL. As soon as the record would be received, the remaining recovery would be realized. The para was kept pending.

2-10-2001: There was no further progress in the recovery. The para was kept pending.

10-1-2002: The Department pointed out that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

(3) Para 4227 E.T.O., Lahore Zone-VIII, Rs.1,424,421/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that recovery of Rs.243,983/- had been verified by Audit, leaving behind a balance of Rs.1,180,438/-. The para was kept pending.

20-8-2001: The Department explained that the Metropolitan Corporation, Lahore has reported that amount had been recovered. The para was kept pending, for verification of record by Audit. The Department stated that the record of Property Tax relating to two zones of Lahore was with the Metropolitan Corporation Lahore as the subject had been transferred to the MCL along with liability by an amendment in the relevant law. The Committee directed that the matter should be considered by a Committee comprising Secretary Assembly, Secretary, Excise & Taxation, Director General, Revenue Receipts Audit and Finance Department and report be submitted to the PAC.

2-10-2001: The previous decision dated August 20, 2001 was reiterated and the para was kept pending.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

(4) Para 4241 E.T.O., Lahore Zone-IV, Rs.432,178/-

17-2-2001: Audit reported partial recovery of Rs.300,908/- had since been made leaving a balance of Rs.131,270/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.131,270/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that the recovery related to LDA and had been stayed by

the Court. The para was kept pending.

2-10-2001: The previous decision dated August 20, 2001 was reiterated. The para was kept pending.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

(5) Para 4286 E.T.O., Lahore Zone-VIII, Rs.85,227/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The previous decision dated August 20, 2001 was re-iterated and the para was kept pending.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

4.1(h) Due to Omission in Carrying Forward of Annual Value of Taxable Property Units Aggregate Amount Rs.197,295/-

(6) Para 4631 E.T.O., Lahore Zone-VII, Rs.11,266/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The Committee reiterated its earlier directive. The para was kept pending for recovery.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

(7) Para 4634 E.T.O., Lahore Zone-VIII, Rs.84,671/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.53,621/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The Committee reiterated its earlier directive. The para was kept pending for recovery.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

4.2(a) Short Realization of Property Tax: Aggregate Amount Rs.902,480/- Due to Non-

consolidation of Property Units Owned by the Same Person Rs.402,998/-

(8) Para 4630 E.T.O., Lahore Zone-VII, Rs.19,901/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The Committee reiterated its earlier directive. The para was kept pending for recovery.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

(9) Para 4633 E.T.O., Lahore Zone-VIII, Rs.75,824/-

17-2-2001: Audit reported that an amount of Rs.837/50 had been recovered leaving a balance of Rs.74,986/50. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.74,986/50 and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The Committee reiterated its earlier directive. The para was kept pending for recovery.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

FOOD DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
98	96	-	-	2

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 40	Paras finally settled as the requisite action had been taken.	Civil: 9.1, 9.2, 9.5, 9.6, 9.18, 9.20, 9.21, 9.24, 9.25, 9.26, 9.27, 9.32, 9.33, 9.34, 9.35, 9.38, 9.40, 9.41, 9.42, 9.45, 9.47, 9.49, 9.52, 9.54, 9.56, 9.60, 9.65, 9.66, 9.70, 9.74, 9.76(2), 9.76(3), 9.77, 9.78, 9.84, 9.89, 9.90, 9.92.	38	253-258
		Revenue Receipts: 5.1, 5.2	2	258
Paras Conditionally Settled 35	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 9.3, 9.10, 9.11, 9.12, 9.14, 9.15, 9.16, 9.17, 9.19, 9.22, 9.23, 9.28, 9.29, 9.30, 9.31, 9.37, 9.50, 9.55, 9.58, 9.61, 9.62, 9.63, 9.68, 9.71, 9.73, 9.75, 9.76 (I), 9.80, 9.81, 9.82, 9.83, 9.85, 9.88, 9.91, 9.94	35	259-277
		Revenue Receipts:		
Paras Pended 23	Paras pended as the Department had not taken satisfactory action.	Civil: 9.4, 9.7, 9.8, 9.9, 9.13, 9.36, 9.39, 9.43, 9.44, 9.46, 9.48, 9.51, 9.53, 9.57, 9.59, 9.64, 9.67, 9.69, 9.72, 9.79, 9.86, 9.87, 9.93.	23	278-292
		Revenue Receipts:		
	Paras pended as the Department did not submit the working paper.	Civil:		
		Revenue Receipts:		

Discussed on 15, 16 February, 8, 10, 11 & 26 September and 25 October 2001

Paras Finally Settled

(Civil Audit)

1. Para 9.1: Page 103; Record not produced Involving Rs.40,528,026/-

15-2-2001: The Department explained that the relevant record had since been traced out and was available for verification by Audit. The Committee took serious notice of non-production of record at the time of Audit and observed that the situation depicted a failure on the part of the Department. The Committee directed that an inquiry should be held into the matter for fixing responsibility for non-production of the record and also for pinpointing the loopholes in the system.

The Committee further directed that the record should be produced to Audit for verification. The para was kept pending.

26-9-2001: Audit reported that the Department had produced incomplete record. The Department explained that responsibility for not producing the record had been fixed and the defaulter would be proceeded against.

The Committee directed that Audit observation regarding non-production of record should be treated as initial Audit objection and it should pass through the forum of DAC. **The para was settled.**

2. Para 9.2: Page 103; Use of Residential Telephone Beyond Limit-Recovery of Rs.69,067/-

8-9-2001: The recovery of the entire amount had been verified by Audit. **The para was settled.**

3. Para 9.5: Page 105; Un-Authorized/Excess Issue of Wheat to Flour Mills Costing Rs.3,602,300/-

11-9-2001: The Department explained that no loss to government was involved in this para. The officials responsible for issuance of excess quota of wheat to certain Flour Mills were proceeded against and ultimately exonerated by the Authority. **The Committee settled the para.**

4. Para 9.6: Page 106; unjustified payment of Rs.84,911/-

8-9-2001: The explanation of the Department was accepted and **the para was settled.**

5. Para 9.18: Page 113; Overpayment of Rs.46,989/- through transfer grants

8-9-2001: Audit had verified the recovery of actual recoverable amount of Rs.46,052/-. **The para was settled.**

6. Para 9.20: Page 114; Enroute Shortage of 100.800 M.Tons Wheat Amounting to Rs.534,242/-

15-2-2001: The Department explained that an amount of Rs.534,246.00 had been deposited by the Carriage Contractors. Audit had verified the recovery. **The para was settled**

7. Para 9.21: Page 115; Enroute Shortage of Wheat Weighing 96.0 M. Tons Valuing Rs.544,229/-

15-2-2001: The Department contended that the enroute shortage of 96 M.Tons had been adjusted and the record is available for verification. The para was settled subject to verification of record.

8-9-2001: The relevant record had been verified by Audit. **The para was settled.**

8. Para 9.24: Page 117; Wasteful Expenditure on Account of Pay and Allowances Amounting to Rs.30,900,816/-

15-2-2001: The Department explained that expenditure on Pay and Allowances had been made in accordance with the number of posts sanctioned by the Finance Department for the District. **The para was settled.**

9. Para 9.25: Page 117; Irregular expenditure on account of purchase of stationery amounting to Rs.134,029/-

8-9-2001: Audit had verified that the expenditure had been validly sanctioned by the Deputy Director Food

under the Punjab Delegation of Financial Powers Rules, 1990. **The para was settled.**

10. Para 9.26: Page 118; Un-necessary expenditure of Rs.219,210/- on pay and allowances of laboratory staff

10-9-2001: The Committee was satisfied with the explanation of the Department and observed that there was apparently a need for introducing advanced techniques for testing the quality of wheat. **The para was settled.**

11. Para 9.27: Page 119; Irregular Payment of Rs.637,000/- As Godown Rent

11-9-2001: The explanation of the Department for hiring the godowns of District Council Bahawalnagar was accepted and **the para was settled.**

12. Para 9.32: Page 122; Non-recovery of bardana costing Rs.68,875/-

8-9-2001: Audit verified the recovery of Rs.2,445/- and Rs.45,430/-. The Department explained that the recovery of the balance amount of Rs.21,000/- was being pursued as arrears of Land Revenue from Mr Zafar Iqbal, Food Grain Inspector (dismissed). It was stated that Rs.12,000/- had been recovered and the remaining Rs.9,000/- were expected to be recovered in a few days. The para was kept pending.

25-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated September 8, 2001. **The para was settled as Audit had verified the recovery having been made.**

13. Para 9.33: Page 122; Recovery of Rs.72,792/- on account of shortage of 1065 kg wheat and 120 empty bags

8-9-2001: The recovery of the actual recoverable amount of Rs.53,566/- had been verified by Audit. **The para was settled.**

14. Para 9.34: Page 123; Non-Recovery of Rs.630,271/- from Contractors on Account of Penalty for Less Transportation

11-9-2001: The Department explained that recovery of Rs.419,183/- had been verified by Audit and the record of balance recovery of Rs.211,088/- was also available for verification. The para was settled subject to verification by Audit.

26-9-2001: The record had been verified by Audit. **The para was settled.**

15. Para 9.35: Page 123; Recovery of Rs.40,725/- on Account of Misappropriation of 90 Filled Gunny Bags

11-9-2001: The Department explained that 90 bags of wheat saved due to sub-standard weighment were accounted for in the inventory register. Audit had verified the same. **The Committee settled the para.**

16. Para 9.38: Page 125; Recovery of Rs.68,460/- Due to Shortage of 2282 Gunny Bags

8-9-2001: The record had been verified by Audit. **The para was settled.**

17. Para 9.40: Page 126; Non-Recovery of Penalty from Contractors Rs.28,824/-

8-9-2001: Audit had verified that total recovery had been effected.

During discussions, it transpired that the internal Audit set up in the Food Department needed to be strengthened; it should report directly to the Head Office. **The para was settled.**

18. Para 9.41: Page 127; Non-Recovery of Rs.98,928 on Account of Direct Toe Chain

Charges

8-9-2001: The recovery of Rs.87,296/- had been verified by Audit and the balance recovery of Rs.13,770/- (out of Rs.101,066/- held recoverable) made by Department had yet to be verified.

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

25-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated 8.9.2001. **The para was settled as Audit had verified that the recovery had been made.**

19. Para 9.42: Page 127; Recovery of Rs.334,688 on Account of Enroute Shortage 58.400 MT Wheat + 551 Empty Bags

8-9-2001: The recovery/record had been verified by Audit. **The para was settled.**

20. Para 9.45: Page 130; Loss of Rs.47,843,282/- Due to Hiring of Private Godowns without any Requirements

11-9-2001: The Department explained that the godowns had been hired in accordance with the government policy and with the prior approval of the Government. However, Deputy Food Controllers responsible for taking possession of godowns without requisite facilities, i.e. boundary wall, electricity, Chowkidar quarter etc., were awarded penalty of "Censure".

Audit pointed out that according to the Departmental record the godowns hired were defective, non-standard and in excess of Departmental requirements. Some godowns were incomplete, but their owners were sanctioned 10 years advance rent.

The Department was directed to produce complete details of the case, including the list of government godowns and their capacity, the details of hired godowns and their capacity, the storage capacity required by the Department, the actual stock put in the said stores, names of the persons who were given advance rent but they did not construct the godown. The para was kept pending for the next meeting to be held on 26-9-2001.

26-9-2001: The Department explained that the godowns were constructed under a duly approved government scheme and were rented with prior approval of the government. As such, no deviation of rules was made at any level. **After detailed discussion, the Committee decided to settle the para.**

21. Para 9.47: Page 131; Loss of Rs.104,280/- Due to Enroute Shortage of Wheat

16-2-2001: The Department explained that total recovery of Rs.104,280/- had been made from the Carriage Contractor and the said recovery had been verified by Audit. **The para was settled.**

22. Para 9.49: Page 133; Loss of Rs.47,170/- Due to Misappropriation of 8.900 M.T. of Wheat

8-9-2001: Audit had verified that total recovery had been made. **The para was settled.**

23. Para 9.52: Page 134; Loss of Rs.53,461/- Due to Godown Shortage of Wheat

16-2-2001: The Department explained that full recovery of Rs.53,461/- had been made and verified by Audit. **The para was settled.**

24. Para 9.54: Page 136; Loss of Rs.1,758,355/- Due to the Acceptance of Exorbitant Rates for Transportation of Wheat

11-9-2001: The Department explained that the rates were approved in accordance with the proper procedure approved by the Competent Authority. The rates for the said period in other regions were the same. The Department

explained that keeping in view the market trends, the year was divided into two “brackets”. Upto the month of November each year, the rates were low and from February the rates were high. **The Committee accepted the explanation of the Department and the para was settled.**

25. Para 9.56: Page 137; Loss of Rs.65,093/- Due to Cost of Enroute Shortage of Wheat

16-2-2001: The Department explained that total recovery of Rs.65,093/- had been effected from the carriage contractor. The para was settled subject to verification of recovery by Audit.

26-9-2001: The record had been verified by Audit. **The para was settled.**

26. Para 9.60: Page 140; Loss of Rs.721,825/- due to exchange of A-class wheat/bardana to sub-standard wheat/bardana

10-9-2001: Audit had accepted the Departmental contention. **The para was settled.**

27. Para 9.65: Page 142; Loss of Rs.809,815/- Due to Enroute Shortage of Wheat

16-2-2001: The Department explained that according to the Food Directorate Punjab, Lahore letter No. AB.II (R.Rate)/96 dated 16.4.1996, the recovery of enroute shortage of wheat was to be made @ Rs. 4950/- per Ton. Accordingly, the recovery had been made and deposited into Government treasury in accordance with the approved rate by the Department.

Audit pointed out that the Department had applied the recovery rates prescribed for the years 1995-96 instead of 1996-97.

The Committee observed that it was a matter of interpretation of the Government instructions on the subject and the Administrative Department should get it checked and settled with Audit. The para was kept pending.

11-9-2001: The recovery had already been made and Audit had verified the Departmental contention about the rate of recovery. The para was settled.

28. Para 9.66: Page 143; Loss of Rs.73,670/- due to damage of wheat

10-9-2001: The para was settled subject to verification of record by Audit.

26-9-2001: The record had been verified by Audit. **The para was settled.**

29. Para 9.70: Page 145; Loss of Rs.113,850/- Due to Misappropriation of Wheat

16-2-2001: The Department explained that an amount of Rs.114,080/- had since been recovered. The Department was directed to get the recovery verified by Audit. The para was settled subject to verification of recovery by Audit.

10-9-2001: Audit had verified the recovery of Rs.487,154/- and the adjustment of Rs.114,080/-. **The para was settled.**

30. Para 9.74: Page 148; Loss of Rs.551,510/- Due to Enroute Shortage of Wheat

11-9-2001: Audit informed the Committee that the recovery of Rs.158,400/- had already been verified and further recovery of Rs.393,110/- had since been verified. **The Committee settled the para.**

31. Para 9.76(2): Page 149; Loss of Rs.35,000/- Due to Non-Recovery of Cost of Gunny Bags

10-9-2001: The Department explained that the entire amount of Rs.35,000/- had been recovered. Audit had verified its deposit into government account. **The para was settled.**

32. Para 9.76(3): Page 149; Loss of Rs. 40,782/- Due to Non-recovery of Cost of Gunny Bags

10-9-2001: Audit reported that the original record had revealed that the empty bags had been actually subtracted from the balance of PP bags. **The para was settled.**

33. Para 9.77: Page 150; Loss Due to Un-authorized Conversion of 6304 A-class Bags to B-class and Non-accountal of 947 A-class Bags Costing Rs.96,985/-

10-9-2001: The Department explained that the recovery of Rs.14,205/- had already been verified by Audit and the balance amount of Rs.82,780/- had also been recovered. The para was settled subject to verification of recovery by Audit.

26-9-2001: The record had been verified by Audit. **The para was settled..**

34. Para 9.78: Page 150; Loss of Rs.452,105/- Due to Non-recovery of Outstanding Bardana

11-9-2001: The Department explained that the amount of this para was included in para 9.86. **The Committee agreed to delete the para.**

35. Para 9.84: Page 155; Loss of Rs.44,798/- Due to Shortage of Wheat

10-9-2001: The recovery had been verified by Audit. **The para was settled.**

36. Para 9.89: Page 158; Loss of Rs.387,566 Due to Non-accountal of Filled Polypropylene Bags

10-9-2001: The accountal had been verified by Audit. **The para was settled.**

37. Para 9.90: Page 158; Loss of Rs.90,000/- Due to Misappropriation of Empty Gunny Bags

10-9-2001: The record had been verified by Audit. **The para was settled.**

38. Para 9.92: Page 160; Loss of Rs.285,143/- Due to Damage of Wheat

10-9-2001: The recoveries of the amounts of Rs.215,000/- and Rs.51,113/- had been verified by Audit and the recovery of the amount of Rs.15,113/- and Rs.18,830/- had yet to be verified. The para was settled subject to verification of recovery by Audit.

26-9-2001: The record had been verified by Audit. **The para was settled.**

General Observation/Directive

The Committee emphasized the need to streamline the system in order to avoid loss due to en-route shortage of wheat etc.

The Department may also consider whether the job of Food Grain Inspectors could be assigned to officers of higher status so that the transactions were handled, controlled and supervised in a more responsible manner.

(Revenue Receipts Audit)

1. Para 5.1: Page 41; Non-recovery of Penalty on Late Payment of Sugarcane (Development) Cess - Rs.20,000/-

8-9-2001: The Department explained that the penalty was imposed by the Sugarcane Commissioner, but was waived off by the Secretary, Food on appeal of the Chishtian Sugar Mills. The position had been verified by Audit. **The para was settled.**

2. Para 5.2: Page 41; Short-realization of Sugarcane (Development) Cess Due to Computation Error- Rs.12,580/-

8-9-2001: The recovery of the entire amount had been verified by Audit. **The para was settled.**

Paras Conditionally Settled (Civil Audit)

1. Para 9.3: Page 104; Government Dues not Recovered-Rs.1,058,803/-

11-9-2001: Audit had pointed out that the recovery imposed by the Competent Authority had not been made from the officials of the Food Department.

The Department stated that the para related to 9 officials and in the cases of six officials namely, Mr Sarfraz Ahmad Bhatti, Food Grain Inspector, Mr Khalid Javid, Assistant Food Controller, Sh. Muhammad Rafiq, Food Grain Inspector, Mr Ibne Saud, Food Grain Supervisor, Sh. Ijaz Ahmad, Food Grain Inspector and Mr Nisar Shah, Food Grain Supervisor, recovery/record had been got verified by Audit, while in the case of remaining three officials namely, Malik Bashir Talib, Ex-Food Grain Inspector, Mr Muhammad Ashraf, Ex-Food Grain Inspector and Mr Muhammad Shahbaz, Food Grain Supervisor, the recovery was being pursued. The items verified by Audit were settled, while the remaining items were kept pending for recovery or other necessary action.

25-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated September 11, 2001.

The Department explained that efforts were being made to recover the balance amount from the concerned officials.

The para was settled in respect of the items in which recoveries had been verified by Audit. As to other items the Department was directed to enforce the recoveries and complete other necessary actions expeditiously. The Committee desired that the Finance Department should monitor and report progress in the directive.

2. Para 9.10: Page 108; Non-forfeiture of Securities Amounting to Rs.70,000/- of Contractors

26-9-2001: The Department explained that the actual recoverable amount had been recovered. **The para was settled subject to verification of record by Audit.**

3. Para 9.11: Page 109; Doubtful and Un-authorized Payment of Transportation Charges of Rs.1,184,595/-

8-9-2001: The Department explained that the Government had approved the payment of transportation charges to the growers/wheat sellers along with the cost of wheat through purchase bills vide notification dated April 21, 2000. The case for regularization of such transportation charges paid during the previous years had been referred to the Finance Department for regularization. **The para was settled subject to regularisation by the Finance Department.**

4. Para 9.12: Page 110; Loss of Rs.270,833/- Due to Misappropriation of Wheat

15-2-2001: The Department explained as under:-

(1) Purchase Centre Kotla Musa Khan

A recovery of Rs.188,100/- was imposed on Malik Muhammad Akram, FGI. He had deposited Rs.28,208/50, leaving a balance of Rs.159,892/-. In the meantime the official has retired. The recovery as arrears of land revenue was being pursued.

(2) Purchase Centre Tailwala (1994-95) Scheme

Ch Muhammad Riaz, FGI (now dismissed) was held responsible for shortage of wheat worth Rs.64,845/- which had been recovered from him.

The Department was directed to get the recovery verified by Audit and to effect the recovery of the balance expeditiously. The para was kept pending.

11-9-2001: The reduction in the amount of the para to Rs.252,947/- had been verified by Audit. The Department explained that total amount of Rs.64,845/- relating to Tailwala had been recovered. Out of the total amount of Rs.188,102/- relating to Kotla Musa Khan, Rs.28,208/- had been recovered and the balance recovery of Rs.159,894/- was being pursued as arrears of land revenue. **The Committee settled the para** with the direction that Administrative Department should pursue and **Finance Department should monitor the balance recovery.**

5. Para 9.14: Page 111; Misappropriation of 18 Bales of Gunny Bags Amounting to Rs.189,000/-

8-9-2001: The Department explained that recovery of Rs.162,000/- was imposed on the concerned official (Mr Tariq Aziz Butt, Food Grain Inspector) vide order dated November 8, 2000 and later on the official was dismissed from service vide order dated June 26, 2001. The amount of recovery was later on raised to Rs.189,000/- and the recovery was being pursued as arrears of Land Revenue.. **The para was settled** with the direction that Administrative Department would pursue the recovery and **Finance Department would monitor the same.**

6. Para 9.15: Page 111; Misappropriation of 4790 B-Class Gunny Bags During Transportation Valuing Rs.119,750/-

11-9-2001: The Department explained that the gunny bags had been accounted for, but there was tampering in the record relating to the class of bags. The concerned official (Mr Azhar Hussain, Food Grain Supervisor) was under suspension and case had been registered against him with Anti-corruption Establishment.

The Committee directed that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 should also be initiated against him, besides pursuing the Anti-corruption case. The Finance Department should monitor the implementation on the above direction of the Committee. **The para was settled.**

7. Para 9.16: Page 112; Misappropriation of Wheat Valuing Rs.745,720/-

8-9-2001: The Department explained that the concerned official (Mr Abdul Khaliq, Food Grain Inspector) had been compulsorily retired from service on March 17, 1999, and a criminal case had been registered against him in March 1996 with the Anti-corruption Establishment. The recovery of the loss from him was also being pursued as arrears of Land Revenue. Further, the matter had been referred to the Regional Accountability Bureau for necessary action.

On a query, the Department explained that recovery had not been made out of pension dues of the accused officer as he had not claimed his pension so far. **The para was settled**, with the direction that Administrative Department should pursue the recovery and criminal proceedings, **and Finance Department should monitor the same.**

8. Para 9.17: Page 112; Irregular Payment of Transportation Charges Rs.382,340/-

10-9-2001: The Department explained that the payment of transportation charges to the growers/wheat-sellers along with cost of wheat through the purchase bill, had been permitted by the Government vide notification dated April 21, 2000. The matter of payment of transportation charges to the growers for the period under objection had been referred to the Finance Department for regularization. **The para was settled subject to regularization of the expenditure by the Finance Department.**

9. Para 9.19: Page 114; Loss of Enroute Shortage of Wheat Amounting to Rs.79,171/-

15-2-2001: The Department explained that the enroute shortage of wheat had since been recovered from the Carriage Contractors. The para was settled subject to verification of recovery record by Audit.

11-9-2001: Audit reported that adjustment of Rs.43,576/- had been verified and deduction of Rs.35,595/- made from the Contractor had yet to be verified from the credit verification. **The para was settled.** It was desired that the **Finance Department should monitor the verification.**

10. Para 9.22: Page 115; Irregular Expenditure of Rs.949,916/- on Transportation Charges

11-9-2001: The Department explained that the payment of transportation charges to growers/sellers along with the cost of wheat had been approved on April 21, 2001. However, as this para related to the earlier period, it had been reported to Finance Department for regularization. **The para was settled**

11. Para 9.23: Page 116; Irregular and Un-authorized Payment of Transportation Charges Amounting to Rs.292,504/-

8-9-2001: The Department explained that the Government had approved the payment of transportation charges to the growers/wheat sellers along with the cost of wheat through purchase bills vide notification dated April 21, 2000. The case for regularization of such transportation charges paid during the previous years had been referred to the Finance Department for regularization. **The para was settled.**

12. Para 9.28: Page 120; Irregular Expenditure of Rs,82,276/-

8-9-2001: The Department explained that the Government had approved the payment of transportation charges to the growers/wheat sellers along with the cost of wheat through purchase bills vide notification dated 21.4.2000. The case for regularization of such transportation charges paid during the previous years had been referred to the

Finance Department for regularization. **The para was settled.**

13. Para 9.29: Pages 120; Irregular Expenditures of Rs.495,000/- on Account of Shifting, Installation and Repair of Weigh Bridge

15-2-2001: The Department explained that the cases had been referred to the Competent Authority for regularisation.

The para was kept pending for regularisation and investigation as to why the unauthorised payment was sanctioned by the Deputy Director Food, Multan Division, Multan beyond his competency, and without budgetary allocation.

10-9-2001: The Department explained that the case for regularization of the expenditure had been referred to the Finance Department.

The Committee directed the Finance Department to monitor the completion of the necessary action in the matter and to report to PAC in due course. **The para was settled.**

14. Para 9.30: Pages 121; Irregular Expenditures of Rs.322,171/- on Account of Purchase of Fire Extinguishers

15-2-2001: The Department explained that the cases had been referred to the Competent Authority for regularisation.

The para was kept pending for regularisation and investigation as to why the unauthorised payment was sanctioned by the Deputy Director Food, Multan Division, Multan beyond his competency, and without budgetary allocation.

10-9-2001: The Department explained that the matter had been referred to the Competent Authority for regularization. **The para was settled with the direction that Finance Department must monitor the taking of necessary action in the matter.**

15. Para 9.31: Page 121; Recovery of Rs.764,270/- on Account of Outstanding Bardana and Declassification

11-9-2001: The Department explained that the recovery relating to Pindi Bhattian and Hafizabad Centres had been made, but the recovery of Rs.202,160/- in respect of Sukheki could not be made as the ex-official responsible (Mr Bashir Ahmad) was not traceable. The para was kept pending for recovery/write off of the balance amount.

25-10-2001: The para was considered with reference to minutes of the meeting of the PAC held on September 11, 2001.

According to the Department the defaulter is not traceable and does not own any urban or rural movable/immovable property and a case of write-off sanction had been referred to the Finance Department.

The Department was directed to make efforts to recover the amount involved. If recovery was not possible, **write-off-sanction from the Finance Department be obtained. The para was settled.**

16. Para 9.37: Page 125; Recovery of Rs.176,740/- Due to the Excess Expenditure on Residential Telephone Over and Above the Entitlement

8-9-2001: The Department explained that calls beyond the ceiling had been made by Director Food, Punjab on official business, and the case had been referred to Finance Department for regularization. **The para was settled,** with the direction that the Administrative Department would comply with the decision made by Finance Department on the said reference **and Finance Department would monitor the case.**

The Committee suggested that the Government might consider reviewing the present limits in respect of residential telephones in order to bring them in line with the official responsibilities of such officers as have to remain in touch with office after the working hours.

17. Para 9.50: Page 133; Loss of Rs.491,077/-Due to Godown Shortage of Wheat

16-2-2001: The Department explained that an inquiry was conducted and as a result, the Authority imposed the punishment of dismissal from service and full recovery from the dismissed officials i.e. M/s Tariq Abdullah, Muhammad Naeem Khan, FGIs, and Mukhtar Ahmad, A.F.C. and Khalid Mahmood Jabla, FGI, whereas the share of Kamran Farooq, FGI was recommended for writing off as he had since died. Recovery of Rs. 148,647/- (55,000 +93,647) from Mr Mukhtar Ahmad Bhatti and Mr Khalid Mahmood Jabla, FGI had been made and verified by Audit and the remaining recovery of the loss was under progress.

The Committee directed the Department to effect balance recovery within the shortest possible time and get it verified by Audit. The reduction in the total amount of the para may also be got verified by Audit. The para was kept pending.

10-9-2001: The Committee directed the Administrative Department to pursue the recovery/write off of the balance amount and the Finance Department to monitor the same. **The para was settled.**

18. Para 9.55: Page 137; Loss of Rs.11,227,889/- Due to Unauthorised D-classification of Gunny Bags

25-10-2001: Annexure 'A' showing position of recovery/other action, as submitted by Audit, was made part of the minutes. **The directives of PAC regarding conditional settlement of the components of the para have been shown in the last column of Annexure 'A' of the minutes.**

Special Directions

1. Before sending the case to Finance Department for write-off, it would be the responsibility of the Department to determine whether the number of bags to be written-off was the same as mentioned in the Table; and
2. Audit would again verify the amounts of recovery to be written off, and other amounts mentioned in the Annexure before the action for write-off or recovery was taken by the Department:

19. Para 9.61: Page 140; Loss of Rs.1,975,565/- Due to Damage of Wheat

10-9-2001: The Department explained that the Authority had imposed the penalty of recovery of Rs.1,975,569/- on the concerned official (Mr Abdul Sattar, Food Grain Supervisor) and his appeal was pending before the Punjab Services Tribunal. The para was kept pending.

25-10-2001: The Department explained that the appeal filed by Mr Abdul Sattar FGS was pending in the Punjab Services Tribunal and the next date of hearing was October 24, 2001.

The Committee directed the Department to pursue the court case/recovery, and desired that the Finance Department should monitor progress and report the same. **The para was settled.**

20. Para 9.62: Page 141; Loss of Rs.145,463/- Due to Embezzlement of A-Class Bags

26-9-2001: The Department explained that 438 bags had been accounted for and the recovery of the remaining amount had been imposed on the concerned Food Grain Inspector and Food Grain Supervisor.

The Committee directed that the Administrative Department should pursue the recovery and Finance Department should monitor the same. **The para was settled.**

21. Para 9.63: Page 141; Loss of Rs.41,580/- Due to Godown Shortage of Wheat

11-9-2001: The Department explained that on completion of disciplinary proceedings against the concerned official (Mr Yousaf Jamal, Food Grain Inspector), recovery of Rs.41,581/- had been imposed on him vide order dated August 20, 1998 and recovery as arrears of land revenue was being pursued. In the meantime the accused had filed an appeal in the Punjab Services Tribunal and obtained a stay order.

The Committee directed the Administrative Department to pursue the Court case/recovery and directed the Finance Department to monitor the same. **With the above directions the para was settled.**

22. Para 9.64: Page 142; Loss of Rs.302,633/- Due to Godown Shortage of Wheat

16-2-2001: The Department explained that an inquiry was conducted by Malik Munir Ahmad, Storage Officer and was submitted to the Authorised Officer (DFC Bahawalpur) who exonerated the officials from the charges and submitted the case for final decision to the Authority.

The Committee directed that the necessary action in the matter may be finalised expeditiously. The para was kept pending

10-9-2001: The Department explained that the Director had imposed recovery on the accused official, but he had filed an appeal and obtained stay order from the Lahore High Court. The para was kept pending.

26-12-2001: The Department was directed to pursue this case vigorously in the court and the Finance Department was advised to monitor this case. **With the above direction, the para was settled.**

23. Para 9.68: Page 144; Loss of Rs.60,340/- Due to Damage of Gunny Bags

10-9-2001: The Committee directed the Department to pursue the Anti-corruption case and finalize the disciplinary proceedings. The para was kept pending.

25-10-2001: The para was considered with reference to directive of PAC dated September 10, 2001

The para was settled with the direction that the Department should pursue the recovery and take action against the defaulters; **and the Finance Department to monitor the same.**

24. Para 9.71: Page 146; Loss of Rs.31,324/- Due to Cost of Enroute Shortage of Wheat at P.R. Centre Tailwala Scheme 1994-95

16-2-2001: The Department explained that total recovery had since been effected. The para was settled, subject to verification of recovery by Audit.

10-9-2001: The Committee directed the Department to produce original challans and relevant record to Audit for verification. The para was kept pending.

25-10-2001: The para was considered with reference to directive of PAC dated September 10, 2001.

The para was settled with the direction that the Department may inquire into the circumstances which led to the loss of treasury challans and take appropriate action.

25. Para 9.73: Page 147; Loss of Rs.1,171,677/- Due to Damage of Wheat

10-9-2001: The Department explained that the Authority had imposed recovery of Rs.1,171,677/- out of which Rs.80,000/- had been deposited into the government treasury but the Appellate Authority had remanded the case for fresh inquiry which was in progress. The para was kept pending.

25-10-2001: The para was considered with reference to directive of PAC dated September 10, 2001.

The Department was directed to pursue the balance recovery as pointed out by Audit, and the Finance Department to monitor the same. **The para was settled.**

26. Para 9.75: Page 148; Loss of Rs.1,269,688/- Due to Godown Shortage, Damage of Wheat

16-2-2001: The Department explained that after the death of Mr Kamran Farooq, FGI, Incharge PR Centre Hasilpur, the stock of wheat in his charge was cleared by a team headed by a Magistrate and shortage of 256.500 M. T of wheat was discovered, out of which 221.3 M. Tons were attributed to storage and 35.2 M. Tons as damaged wheat. The damaged wheat had been disposed of through open auction and the auction money of Rs.11,400/- had been deposited into Government Treasury. The case for write-off of the storage was pending with the Director Food, Punjab.

The Committee directed that necessary action in the matter should be finalised expeditiously. The para was kept pending.

11-9-2001: The Committee directed that the balance loss must be recovered or written off.

The Committee directed that Administrative Department must pursue recovery/ write off and Finance Department should monitor the same. **With the above observation, the para was settled.**

27. Para 9.76(i): Page 149; Loss of Rs.25,500/- Due to Non-recovery of Cost of Gunny Bags

10-9-2001: The Department explained that Ex-AFC upon whom recovery of Rs.25,500/- was imposed, had expired and the recovery would be effected from his pension when it would be claimed by his family.

The Committee directed the Administrative Department to pursue the recovery and the Finance Department to monitor the same. **The para was settled.**

28. Para 9.80: Page 152; Loss of Rs.239,871/- Due to Unauthorized De-Classification of P.P. and Jute Bags

11-9-2001: The Department explained that the recovery/other action was being pursued. The para was kept pending.

26-9-2001: The Department stated that recovery was being pursued as arrears of land revenue.

The Committee directed that the Administrative Department should pursue the recovery and Finance Department should monitor the same. **The para was settled.**

29. Para 9.81: Page 153; Loss of Rs.575,000/- Due to Non-accountal of Empty Gunny Bags

11-9-2001: The Department explained that Mr Kamran Farooq, Food Grain Inspector was responsible for non-accountal of 23000 empty gunny bags costing Rs.575,000/-. He died on March 19, 1996 in a road accident.

Audit pointed out that the deceased inspector might not be solely responsible for the shortage.

The Committee directed that recovery/write off of the loss must be pursued by Administrative Department and monitored by Finance Department. **With the above direction the para was settled.**

30. Para 9.82: Page 153; Loss of Rs.269,025/- Misappropriation of Bardana

26-9-2001: The Department explained that the recovery of 575 bags of wheat would be effected and the record of other centres was available. The Department stated that the recovery would be made after taking action under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed that recovery/action in one case should be finalized expeditiously and verification of record in other cases should be got done by Audit at the earliest. The para was kept pending.

25-10-2001: The Department explained that the relevant record would be produced to Audit for verification on 27 October, 2001 under intimation to the PAC. **The para was settled subject to verification by Audit.**

31. Para 9.83: Page 154; Loss of Rs.48,472/- Due to Misappropriation of Wheat Along With Bags

11-9-2001: The Department explained that the amounts of Rs.33,500/- and Rs.19,800/- had been deposited into government treasury and record was available for verification by Audit.

Audit pointed out that the amount had been deposited by Mr Muhammad Sarwar, Flour Chaki Khanpur and not by Agha Haroon, Incharge storage centre. The recovery needed to be related to the amount of this para.

The Committee directed that the Department should clarify the position and get the record verified by Audit. The para was kept pending.

26-9-2001: The Department explained that recovery of the requisite amount had been made. **The para was settled subject to Audit verification.**

32. Para 9.85: Page 156; Loss of Rs.89,571/- Due to Godown Shortage of Wheat

11-9-2001: The Department explained that recovery of Rs.44,784/- was imposed each on Mr Muhammad Afzal, Food Grain Inspector and Mr Yousaf Jamal, Food Grain Inspector. The amount had been recovered from Mr Muhammad Afzal. The amount recoverable from Mr Yousaf Jamal, who had been compulsorily retired would be recovered from his pensionary benefits.

The Committee directed that Administrative Department should pursue the recovery and Finance Department should monitor it. **With the above direction, the para was settled.**

33. Para 9.88: Page 157; Loss of Rs.324,085/- Due to Non-recovery of Outstanding Bardana

26-9-2001: The Department explained that recovery, as per the rate prescribed for the year of procurement, had been made. Audit pointed out that the recovery should have been made at the rate prescribed for the year in which recovery was made.

The Committee endorsed the viewpoint of Audit and directed the Finance Department to monitor the recovery at the correct rate and further necessary action in the matter. **The para was settled.**

34. Para 9.91: Page 159; Loss of Rs.452,000/- Due to Misappropriation of A-Class Gunny Bags

26-9-2001: The Department explained that all the relevant record was available.

The Committee directed the Department to get the record verified by Audit. The para was kept pending.

25-10-2001: The Department was directed to produce the requisite record to Audit.

The para was settled subject to producing the record to Audit by the Department.

35. Para 9.94: Page 161; Loss Due to Theft of Stock Articles Amounting to Rs.51,015/-

10-9-2001: The Department explained that Ex-Chowkidar Fateh Muhammad from whom the amount was recoverable was under arrest, but the chances of recovery were bleak.

The Committee directed the Department either to effect the recovery or get the loss written off by the Finance Department. The para was kept pending.

25-10-2001: The para was considered with reference to directive of the PAC dated September 10, 2001.

The Department explained that there was no chance of recovery from the ex-Chowkidar, Fateh Muhammad.

The Committee directed the Department to make efforts to effect recovery or approach the Finance Department for write-off. The Committee directed the Finance Department to monitor the same. **The para was settled.**

General Observations

The Committee observed that in the case of Food Department, the level of Authority, Authorised Officer and Inquiry Officer was quite low and the Department must consider to amend the relevant rules to revise this level.

The Committee directed the Department to examine:-

1. to entrust the task of inspection and account keeping to the senior level officers instead of the junior staff so as to minimize the chances of misappropriation and embezzlements.
2. to computerize the whole system in order to reduce the chances of discrepancies and corruption.

Paras Pended

(Civil Audit)

1. Para 9.4: Page 104-105; Embezzlement of Rs.50,920,065/-

15-2-2001: The Department explained that a high level inquiry was held at the Government level into the heavy misappropriation in the procurement of wheat in Bahawalpur district, including the amount of this para. The Inquiry Committee comprised Mr Shafqat Eizdi the then Secretary Labour, Mr G.M. Sikandar, Member (Inquiry) SGA&ID and Mr Sohail Ahmad, Additional Secretary LG&RD. Mr Saleem Murtaza, Member (Colonies) Board of Revenue acted as Authorised Officer. The Chief Secretary Punjab as “Authority” in this case awarded the following penalties to the accused officers/officials:-

Sr.No.	Name & Designation	Penalties
1.	Sardar Parvez Ali Khan Former District Food	i) dismissal from service Controller Bahawalpur recovery of loss to Government amounting to Rs.22,022,179/-
2.	Mr Muhammad Naeem Former Food Grain Inspector Bahawalpur	-do-
3.	Mr Tariq Abdullah Former Food Grain Inspector Bahawalpur	-do-
4.	Sh Farooq Hameed Former Deputy Director Food Bahawalpur	withholding of promotion for 5 years
5.	Mr Allah Bakhsh Mian Food Grain Inspector Bahawalpur	-do-

The matter for recovery of the aggregate amount of Rs. 66,066,535/- against the above named persons had been referred to the District Collector, Bahawalpur for recovery as arrears of land revenue. Sardar Parvez Ali had absconded abroad. Mr Muhammad Naeem Khan and Mr Tariq Abdullah had been arrested twice but recovery had not been made so far. However, efforts were being made to effect the recovery.

The Department further explained that FIR had also been lodged with the Police and cases had also been registered with Anti-corruption Establishment, Multan. Moreover, the case had also been referred to the Regional Accountability Bureau (RAB) for investigation. In view of the above, the para was kept pending.

The Committee, however, observed that in Departmental Inquiries (whether preliminary or under E&D Rules), the Inquiry Officer/Committee should also be required to pinpoint the defects in the system which led to the misappropriation.

10-9-2001: The Department informed that subsequently the cases were transferred to Accountability Court Bahawalpur who had announced decision on July 25, 2001, whereby punishment had been awarded to following accused officials/persons:-

Bahawalpur

<u>Sr.No.</u>	<u>Imprisonment</u>	<u>Accused</u>	<u>Fine</u>
1.	Mr Naseer-ud-Din	8-year R.I.	Rs.20,000,000/-
2.	Mr Tariq Abdullah, Food Grain Inspector (Dismissed)	8-year R.I.	Rs. 5,000,000/-
3.	Mian Allah Baksh, Food Grain Inspector (Dismissed)	8-year R.I.	Rs.50,000,000/-
4.	Mr Muhammad Naem, Food Grain Inspector (Dismissed)	3-year R.I.	
5.	Mr Bashir Ahmad Baluch, Assistant Food Controller	3-year R.I.	Rs.1,000,000/-
6.	Mr Laeeq-ul-Haq	3-year R.I.	Rs.1,000,000/-
7.	Mst Robina Naseer	3-year R.I.	Rs.1,000,000/-
8.	Mst Aisha Javid	3-year R.I.	Rs.1,000,000/-

Januwala

<u>Sr.No.</u>	<u>Imprisonment</u>	<u>Accused</u>	<u>Fine</u>
1.	Mr Naseer-ud-Din	7-year R.I.	Rs.6,000,000/-
2.	Mr Tariq Abdullah, Food Grain Inspector (Dismissed)	7-year R.I.	Rs.2,000,000/-
3.	Mr Muhammad Asghar Abbasi	7-year R.I.	Rs.2,000,000/-

The Department further informed that the court had not tried Sardar Parvez Ali Khan, Former Deputy Food Controller Bahawalpur (Division) who was absconding. The Department explained that the list of properties attached by the Court would be obtained and the Court would be requested to pass appropriate orders for adjustment of government loss out of the properties.

The Committee directed the Department to take necessary steps for recovery of the loss caused to the Government and to pursue the criminal case against the accused Deputy Food Controller (Dismissed and absconded).

The Committee observed that the measures adopted by the Department with recommendation of the Departmental Committee headed by an Additional Director Food, for restricting the preparation of purchase bills to no more than 200 bags, were not enough. The Committee therefore, directed that a high level Committee should be appointed to review the procurement system in depth and to suggest suitable improvements. The practice of utilizing the services of comparatively low paid employees for purchases and stocks worth millions of rupees needed to be reconsidered. The desirability of introducing effective checks and controls by an independent third party or internal Audit should also be examined, as also the use of I.T. facilities.

The Committee would like the Administrative Department to report progress on its Re-engineering Plan

to the PAC at the earliest.

The Committee also advised Audit to apprise the Committee about the mechanism devised by Audit for verification of recoveries in case of forfeiture of property by order of the court. The para was kept pending.

26-12-2001: The para was considered in the light of the directive of the PAC dated September 10, 2001. It was observed that the Department had made no progress for appointment of a high level committee for reviewing the systems of procurement of wheat as well as of internal checks and supervision.

The Committee directed that the recovery pointed out in the audit para should be pursued and the directions of the Committee given on September 10, 2001 should be acted upon. **The para was kept pending.**

2. Para 9.7: Page 106; Non-production of Log Book.

15-2-2001: The Department explained that at the time of Audit the log books of the vehicles could not be produced as the same were with the officers on tour, and that the log books were now available for verification. The Committee directed that the relevant record may be got verified by Audit within 30 days and disciplinary action be taken against the persons responsible for not producing the record to Audit at the proper time. The para was kept pending.

10-9-2001: In the light of the minutes of the meeting held on February 15, 2001 the Department explained that the record was produced to Audit and disciplinary action against the DDO was in process.

Audit pointed out that after verification of record no discrepancy was found in the log books of 5 vehicles but the log books of 6 other vehicles were doubtful, and appeared to have been prepared afterwards.

The Committee directed the Administrative Department to probe into this matter and take disciplinary action against the officers/ officials at fault for not maintaining log books at the proper time and for misusing of vehicles, if so found. **The para was kept pending.**

3. Para 9.8: Page 107; Short of 3153-605 M.T of Wheat Valuing Rs.15,610,502/- at PR Centre Bahawalpur Scheme 1995-96

15-2-2001: The Department explained that criminal case against the culprits had been registered with the Anticorruption Establishment, Multan vide FIR No.167/96 and 168/96 dated December 10, 1996. It was further explained that presently the case was pending for investigation before the Regional Accountability Bureau. In view of the above, the para was kept pending.

The Committee, however, observed that the whole system of procurement of wheat should be reviewed and improved by utilizing the modern means of communications and information technology.

10-9-2001: The Department informed that subsequently the cases were transferred to Accountability Court Bahawalpur who had announced decision on July 25, 2001, whereby punishment had been awarded to following accused officials/persons:-

Bahawalpur

<u>Sr.No.</u>	<u>Imprisonment</u>	<u>Accused</u>	<u>Fine</u>
1.	Mr Naseer-ud-Din	8-year R.I.	Rs.20,000,000/-
2.	Mr Tariq Abdullah,	8-year R.I.	Rs. 5,000,000/-

	Food Grain Inspector (Dismissed)		
3.	Mian Allah Baksh, Food Grain Inspector (Dismissed)	8-year R.I.	Rs.50,000,000/-
4.	Mr Muhammad Naeem, Food Grain Inspector (Dismissed)	3-year R.I.	
5.	Mr Bashir Ahmad Baluch, Assistant Food Controller	3-year R.I.	Rs.1,000,000/-
6.	Mr Laeeq-ul-Haq	3-year R.I.	Rs.1,000,000/-
7.	Mst Robina Naseer	3-year R.I.	Rs.1,000,000/-
8.	Mst Aisha Javid	3-year R.I.	Rs.1,000,000/-

Januwala

<u>Sr.No.</u>	<u>Imprisonment</u>	<u>Accused</u>	<u>Fine</u>
1.	Mr Nasser-ud-Din	7-year R.I.	Rs.6,000,000/-
2.	Mr Tariq Abdullah, Food Grain Inspector (Dismissed)	7-year R.I.	Rs.2,000,000/-
3.	Mr Muhammad Asghar Abbasi	7-year R.I.	Rs.2,000,000/-

The Department further informed that the court had not tried Sardar Parvez Ali Khan, Former Deputy Food Controller Bahawalpur (Division) who was absconding. The Department explained that the list of properties attached by the Court would be obtained and the Court would be requested to pass appropriate orders for adjustment of government loss out of the properties.

The Committee directed the Department to take necessary steps for recovery of the loss caused to the Government and to pursue the criminal case against the accused Deputy Food Controller (Dismissed and absconded).

The Committee observed that the measures adopted by the Department with recommendation of the Departmental Committee headed by an Additional Director Food, for restricting the preparation of purchase bills to no more than 200 bags, were not enough. The Committee therefore, directed that a high level Committee should be appointed to review the procurement system in depth and to suggest suitable improvements. The practice of utilizing the services of comparatively low paid employees for purchases and stocks worth millions of rupees needed to be reconsidered. The desirability of introducing effective checks and controls by an independent third party or internal Audit should also be examined, as also the use of I.T. facilities.

The Committee would like the Administrative Department to report progress on its Re-engineering Plan to the PAC at the earliest.

The Committee also advised Audit to apprise the Committee about the mechanism devised by Audit for verification of recoveries in case of forfeiture of property by order of the court. **The para was kept pending.**

4. Para 9.9 Page 107-108 Un-authentic Procurement of Wheat Costing Rs.50,829,233/-

15-2-2001: Department explained that the amount of this para, is included in the recovery case of Rs.66,066,535/-, dealt with in reply to para 9.4. The para was accordingly kept pending.

10-9-2001: The Department informed that subsequently the cases were transferred to Accountability Court Bahawalpur who had announced decision on July 25, 2001, whereby punishment had been awarded to following accused officials/persons:-

Bahawalpur

<u>Sr.No.</u>	<u>Imprisonment</u>	<u>Accused</u>	<u>Fine</u>
1.	Mr Naseer-ud-Din	8-year R.I.	Rs.20,000,000/-
2.	Mr Tariq Abdullah, Food Grain Inspector (Dismissed)	8-year R.I.	Rs. 5,000,000/-
3.	Mian Allah Baksh, Food Grain Inspector (Dismissed)	8-year R.I.	Rs.50,000,000/-
4.	Mr Muhammad Naeem, Food Grain Inspector (Dismissed)	3-year R.I.	
5.	Mr Bashir Ahmad Baluch Assistant Food Controller	3-year R.I.	Rs.1,000,000/-
6.	Mr Laeeq-ul-Haq	3-year R.I.	Rs.1,000,000/-
7.	Mst Robina Naseer	3-year R.I.	Rs.1,000,000/-
8.	Mst Aisha Javid	3-year R.I.	Rs.1,000,000/-

Januwala

<u>Sr.No.</u>	<u>Imprisonment</u>	<u>Accused</u>	<u>Fine</u>
1.	Mr Nasser-ud-Din	7-year R.I.	Rs.6,000,000/-
2.	Mr Tariq Abdullah, Food Grain Inspector (Dismissed)	7-year R.I.	Rs.2,000,000/-
3.	Mr Muhammad Asghar Abbasi	7-year R.I.	Rs.2,000,000/-

The Department further informed that the Court had not tried Sardar Parvez Ali Khan, Former Deputy Food Controller Bahawalpur (Division) who was absconding. The Department explained that the list of properties attached by the Court would be obtained and the Court would be requested to pass appropriate orders for adjustment of government loss out of the properties.

The Committee directed the Department to take necessary steps for recovery of the loss caused to the Government and to pursue the criminal case against the accused Deputy Food Controller (Dismissed and absconded).

The Committee observed that the measures adopted by the Department with recommendation of the Departmental Committee headed by an Additional Director Food, for restricting the preparation of purchase bills to no more than 200 bags, were not enough. The Committee therefore, directed that a high level Committee should be appointed to review the procurement system in depth and to suggest suitable improvements. The practice of utilizing the services of comparatively low paid employees for purchases and stocks worth millions of rupees needed to be reconsidered. The desirability of introducing effective checks and controls by an independent third party or internal Audit should also be examined, as also the use of I.T. facilities.

The Committee would like the Administrative Department to report progress on its Re-engineering Plan to the PAC at the earliest.

The Committee also advised Audit to apprise the Committee about the mechanism devised by Audit for verification of recoveries in case of forfeiture of property by order of the court. **The para was kept pending.**

5. Para 9.13: Page 110; Misappropriation of Wheat Amounting to Rs.108,600/-

11-9-2001: The Department explained that recovery of Rs.168,800/- was imposed on the concerned Food Grain Inspector (Mr Abdul Khaliq) on June 25, 1997. Later on he was compulsorily retired from service on March 17, 1999. The Department stated that an amount of Rs.27,070/- had been recovered from him during 2000. A criminal case was registered against him with Anti-corruption Establishment, which had been taken over by Regional Accountability Bureau.

The Committee directed that the officer responsible for not making recovery from the official from June 25, 1997 when the recovery was imposed on him till his compulsory retirement on March 17, 1999, should be proceeded against under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed that Administrative Department should pursue recovery and court case and Finance Department should monitor the same. The para was kept pending.

26-9-2001: The Committee directed that the Department should pursue the recovery and the Finance Department should monitor the same. The para was settled.

25-10-2001: The para was considered with reference to minutes of the meeting of PAC dated September 11, 2001.

The Department explained that the officers concerned had been proceeded against under the Punjab Removal From Service (Special Powers) Ordinance 2000.

The para was kept pending with the direction that the Department may expedite action for recovery and initiate other necessary actions expeditiously. The Finance Department would monitor progress in the same and report to the Committee.

6. Para 9.36: Page 124; Recovery of Rs.62,688/- Due to Misuse of Official Vehicle

11-9-2001: The Department explained that the log book of official vehicle was complete in all respects and available for verification by Audit. **The para was kept pending.**

7. Para 9.39: Page 126; Non-recovery of Rs.206,251/- Enroute Shortage

15-2-2001: The Department explained that enroute shortage amounting to Rs.82,881/- relating to Purchase Centre Kotla Musa Khan and enroute shortage amounting to Rs.114,403/- relating to Purchase Centre Hathaiji were adjusted against the carriage contractors. On the appeal filed by the Carriage Contractor, the Director Food Punjab,

Lahore, ordered that recovery be made from the Incharge of the said Purchase Centers. Presently, the case against Malik Muhammad Akram, FGI was pending with the Anti-corruption Establishment and the appeal of Malik Allah Wasaya, FGI was pending with Departmental authorities.

The Committee directed that the Department should pursue the case with Anti-corruption Establishment vigorously, and decide the Departmental appeal expeditiously.

The circumstances under which the Director Food, held the official responsible for enroute shortage, instead of the Carriage Contractors may also be intimated to the Committee. The para was kept pending.

11-9-2001: The Department explained that as per government policy, the carriage contractor was responsible for any en-route shortage. But the Deputy Food Controller vide his order dated May 8, 1993 had declared that centre in charge could be held responsible for enroute shortage. Therefore, the matter needed an inquiry which had already been initiated.

The Committee directed that full facts of the case should be given in a revised Working Paper for the next meeting to be held on September 26, 2001. In the meantime, action should be initiated against the Deputy Food Controller and recovery of enroute shortage from the Contractor should also be initiated. The para was kept pending.

26-9-2001: The Department explained that the recovery of Rs.206,251/- would be effected from the contractor and the DFC concerned, who made an incorrect decision would be proceeded against.

The Committee directed that recovery/action should be finalized expeditiously. The para was kept pending.

26-12-2001: The Department explained that action had been initiated against the officer who issued written orders of recovery of enroute shortage from the staff instead of the carriage contractor. The Department further stated that the notice of recovery from the carriage contractor was also issued but he had filed a writ petition in Lahore High Court and obtained stay orders against the recovery.

The Committee directed that court case/recovery should be pursued and action against the officer responsible for making wrong orders under the Punjab Removal from Service (Special Powers) Ordinance 2000 should be completed within the stipulated period and the compliance report should be submitted in the next meeting. **The para was kept pending.**

8. Para 9.43: Page 128; Recovery of Rs.84,736/- Due to Unauthorized Use of Public Vehicle by the Minister

11-9-2001: The Department explained that the vehicle was purchased for inspection of PR Centres and flour mills by the then Minister for Food and the log book for the relevant period was available.

After seeing the record Audit commented that certain journeys were not indicative of visit to PR Centres and flour mills.

The Committee directed the Department to produce the relevant record to Audit to support that the vehicle was not used unauthorisedly. The particulars of the vehicles of the Services & General Administration Department (Pool) which remained in the use of the Minister during the period in question should also be supplied to Audit. **The para was kept pending**

9. Para 9.44: Page 129; Loss of Rs.2,538,720/- Due to Declassification of Gunny Bags

25-10-2001: 1. Bhuta Whain

The item was settled subject to verification of record by Audit.

2. Bangla Iccha

The item was settled subject to verification of record by Audit.

3. Chak 63/P Sehja

(i) The item was settled subject to verification of record by Audit.

(ii) The item was settled subject to verification of record by Audit.

(iii) The item was settled subject to verification of record by Audit.

(iv) The item was settled subject to verification of record by Audit.

4. Rahim Yar Khan

The item was settled subject to verification of record by Audit.

5. Ismail Chachar

The item was settled subject to verification of record by Audit.

6. Jan Pur

The item was settled subject to verification of record by Audit.

7. Wahid Bukhsh

The item was settled subject to verification of record by Audit.

8. Trinda Sahay Khan

The item was settled subject to verification of record by Audit.

9. Nawazabad

The item was settled subject to verification of record by Audit.

10. Machaka

The item was settled subject to verification of record by Audit.

12. Pir Hussain Abad

The Department explained that recovery would be effected from the pension/gratuity of the official at fault.

The Committee directed the Department to expedite the recovery process.

The item was kept pending.

13. Bagho Bhar

The item was settled subject to verification of record by Audit.

14. Chak 158/9

The Department explained that the case had been referred to the RAB. The item was kept pending.

Rahim Abad/Soon Miani

The item was settled subject to verification of record by Audit.

Sadiq Abad

The item was settled subject to verification of record by Audit.

10. Para 9.46: Page 131; Loss of Rs.1,030,330/- to Government Due to Damage of Wheat Weighing 194.400 M.T.

8-9-2001: The Department explained that inquiry against the concerned officials (Mr Manzoor Ahmad, Food Grain Inspector and Mr Muhammad Ishaq, Food Grain Supervisor) had been completed and submitted to the Authority.

The Committee directed that necessary action in the matter should be taken expeditiously. The para was kept pending.

26-9-2001: The Department explained that as a result of proceedings under the E & D Rules, recovery of Rs.1,439,275/- had been imposed on the concerned Food Grain Inspector and Food Grain Supervisor, in equal shares. It was anticipated that they may submit an appeal against this decision. The para was kept pending.

25-10-2001: The para was considered with reference to directive of PAC dated September 8, 2001.

The Department explained that recovery of Rs.1,439,275.39 had been imposed on M/s Manzoor Ahmad, FGI (Rtd), and Muhammad Ishaq FGS. It was also stated that Tehsildar (Recovery) had been directed to effect the recovery.

The para was kept pending with the direction that the Department shall pursue the recovery and action against the defaulters.

11. Para 9.48: Page 132; Loss of Rs.9,892,532/- Due to Misappropriation of Wheat

16-2-2001: The Department explained that as per findings of the inquiry under the E&D rules, the actual amount of recovery was Rs. 10,643,404/- instead of Rs. 9,892,532/-. After the receipt of inquiry report a criminal case was got registered against M/s Yasin Khan, DFC, Hafiz Abdul Latif, Storage Officer and Muhammad Nazim Zaidi, A.F.C. and Departmental action under E&D rules was also initiated against the said officers. Disciplinary proceedings had been completed which were pending with the Authority for final decision.

The Department was directed to finalise the Departmental proceedings expeditiously and pursue the cases with the Police and Anti-corruption Establishment. The para was kept pending.

10-9-2001: The Department was directed to get the amount recoverable, reconciled with Audit, to pursue the Anti-corruption case against the accused official and to finalise the disciplinary proceedings against him. The para was kept pending.

25-10-2001: The para was considered with reference to directive of PAC dated September 10, 2001.

The Department explained that a de novo inquiry had been initiated against the accused officers/officials.

The para was kept pending with the direction that the Department should expedite action for recovery of the actual amount as calculated by the Inquiry Officer.

12. Para 9.51 Page 134 Loss of Rs.3,779,363/- Due to Godown Shortage Damage of Wheat

16-2-2001: The Department explained that on conclusion of the disciplinary proceedings against the accused officials the Authority (Deputy Director Food, Bahawalpur) had decided the case as under:-

(1) Godown Shortage at Jamalpur, 146.2 M.ton Amounting to Rs.723,690/-

Declared that loss had occurred due to infestation due to long storage and recommended write-off of the loss.

(2) Damage Wheat at Jamalpur: 72.4 M.ton: Rs.518,398/48

Imposed full recovery on the officers/officials concerned.

(3) Book Balance Damaged at PRC Bahawalpur:

544.9 M.ton: Rs.2,137,699/-

Imposed full recovery on the officers/officials concerned.

The accused officials preferred an appeal with the Director Food Punjab, Lahore who allowed a rebate of Rs.645,348/- and as such the recovery was reduced from Rs.2,656,098/- to Rs.2,010,749/- The officials preferred an appeal before the Services Tribunal who stayed the recovery upto January 25, 2001. The next date of hearing is April 24, 2001.

The Committee directed the Department to produce relevant record to Audit to ascertain the full facts and the actual amount of recovery, and pursue the case in the Services Tribunal vigorously for its early decision. **The para was kept pending.**

13. Para 9.53: Page 135; Loss of Rs.345,809/- Due to Damage of Wheat

11-9-2001: The Department explained that in the Departmental proceedings against the concerned Food Grain Inspector (Ch Muhammad Riaz) recovery had been ordered and vide letter dated August 13, 2001, District Collector Bahawalpur had been requested to create demand for the recovery as arrears of land revenue. The accused had filed a writ petition in Lahore High Court and got stay order. The para was kept pending.

26-12-2001: The para was considered in the light of the directive of the Committee dated September 11, 2001. The Department explained that on August 13, 2001 District Collector, Bahawalpur was requested to make the recovery as arrears of Land Revenue from the accused officer. The accused officer filed a writ petition in the Lahore High Court and got a stay order on August 24, 2001 against the recovery.

The Committee observed that the order of recovery had been made without a de-novo inquiry which would benefit the accused officer. The Committee directed that the Administrative Department should re-examine the whole record of the case including charge sheet, inquiry report, recommendations of authorized officer and order of the Authority etc. It should also be examined how and under what authority, law or rule the recovery was ordered from the accused who had been exonerated by the Authority.

The Committee further directed that action should be taken against the officer who did not pursue the case properly. **The para was kept pending.**

14. Para 9.57: Page 138; Loss of Rs.355,633/- to Government Due to Damaged Wheat Weighing 667.100 M. Ton

8-9-2001: The Department explained that the recovery had been imposed on Mr Muhammad Yousaf Jamil, Food Grain Inspector and Mr Ibne Saud, Food Grain Supervisor in equal share. Mr Ibne Saud had deposited his share of Rs.166,074/-. The recovery from Mr Muhammad Yousaf Jamil (since compulsorily retired) would be made from his pensionary benefits.

On a query, the Department stated that Mr Ibne Saud was still in service and being proceeded against under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed that the recoverable amount must be got reconciled with Audit and the balance

recovery must be pursued by Administrative Department and monitored by the Finance Department. **The para was kept pending.**

15. Para 9.58: Page 138; Loss of Rs.254,596/- Due to Non-recovery of Penalties for Less Transportation of Wheat

11-9-2001: The Department explained that the total recovery had been effected and record was ready for verification by Audit. The Committee settled the para subject to verification by Audit.

26-12-2001: In the previous meeting held on September 11, 2001 the Department was directed to get the record verified by Audit but the Department had failed to do so. The Committee directed that action should be taken against the officer responsible for not getting the record verified by Audit. **The para was kept pending.**

16. Para 9.59: Page 139; Loss of Rs.1,023,810/- Due to Misappropriation of Bardana and Stock Articles

10-9-2001: The Committee directed the Department to pursue the Anti-corruption case and finalise the disciplinary proceedings. The para was kept pending.

25-10-2001: The para was considered with reference to directive of the PAC dated September 10, 2001.

The Committee observed that there were some printing errors in the para and that Audit comments and the Departmental explanation were also not clear.

On a query, the Department informed the Committee that next date of hearing in the case pending with Anti-corruption Establishment was 15 November, 2001.

The Department was directed to complete de novo inquiry, pursue the case in the Anti-corruption Establishment and finalize action against the persons at fault. **The para was kept pending.**

17. Para 9.67: Page 144; Loss of Rs.151,321/- Due to Misappropriation of Wheat

16-2-2001: The Department explained that the amount of this para is also included in the case of recovery of Rs.66,066,535/- dealt with in reply to para 9.4. The para was accordingly kept pending.

10-9-2001: The above para was considered in the light of minutes of the meetings dated February 16, 2001.

The Department informed that subsequently the cases were transferred to Accountability Court Bahawalpur who had announced decision on July 25, 2001, whereby punishment had been awarded to following accused officials/persons:-

Bahawalpur

<u>Sr.No.</u>	<u>Accused</u>	<u>Imprisonment</u>	<u>Fine</u>
1.	Mr Naseer-ud-Din	8-year R.I.	
	Rs.20,000,000/-		
2.	Mr Tariq Abdullah, Food Grain Inspector (Dismissed)	8-year R.I.	Rs. 5,000,000/-
3.	Mian Allah Baksh, Food Grain Inspector (Dismissed)	8-year R.I.	Rs.50,000,000/-
4.	Mr Muhammad Naeem, Food Grain Inspector (Dismissed)	3-year R.I.	

5.	Mr Bashir Ahmad Baluch, Assistant Food Controller	3-year R.I.	Rs.1,000,000/-
6.	Mr Laeeq-ul-Haq	3-year R.I.	Rs.1,000,000/-
7.	Mst Robina Naseer	3-year R.I.	Rs.1,000,000/-
8.	Mst Aisha Javid	3-year R.I.	Rs.1,000,000/-

Januwala

<u>Sr.No.</u>	<u>Accused</u>	<u>Imprisonment</u>	<u>Fine</u>
1.	Mr Nasser-ud-Din	7-year R.I.	Rs.6,000,000/-
2.	Mr Tariq Abdullah, Food Grain Inspector (Dismissed)	7-year R.I.	Rs.2,000,000/-
3.	Mr Muhammad Asghar Abbasi	7-year R.I.	Rs.2,000,000/-

The Department further informed that the Court had not tried Sardar Parvez Ali Khan, Former Deputy Food Controller Bahawalpur (Division) who was absconding. The Department explained that the list of properties attached by the Court would be obtained and the Court would be requested to pass appropriate orders for adjustment of government loss out of the properties.

The Committee directed the Department to take necessary steps for recovery of the loss caused to the Government and to pursue the criminal case against the accused Deputy Food Controller (Dismissed and absconded).

The Committee observed that the measures adopted by the Department with recommendation of the Departmental Committee headed by an Additional Director Food, for restricting the preparation of purchase bills to no more than 200 bags, were not enough. The Committee therefore, directed that a high level Committee should be appointed to review the procurement system in depth and to suggest suitable improvements. The practice of utilizing the services of comparatively low paid employees for purchases and stocks worth millions of rupees needed to be reconsidered. The desirability of introducing effective checks and controls by an independent third party or internal Audit should also be examined, as also the use of I.T. facilities.

The Committee would like the Administrative Department to report progress on its Re-engineering Plan to the PAC at the earliest.

The Committee also advised Audit to apprise the Committee about the mechanism devised by Audit for verification of recoveries in case of forfeiture of property by order of the court. **The para was kept pending.**

18. Para 9.69: Page 145; Loss of Rs.570,000/- Due to Non-forfeiture of Security

11-9-2001: The Committee was not satisfied with the explanation of the Department and directed that full facts and figures of the case should be given in a revised Working Paper for the next meeting to be held on September 26, 2001. The para was kept pending.

26-9-2001: The Department explained that the case had been reviewed and it was observed that the decision made by the then Secretary Food was not in accordance with the government policy. This point was being examined whether the present Secretary was competent to re-open the case at this stage.

The Committee directed the Department to finalize appropriate action in the matter expeditiously. The para was kept pending.

25-10-2001: The para was considered with reference to directive of PAC dated September 11, 2001.

It was observed that no tangible progress had been made by the Department to comply with the directions of the Committee.

The Committee reiterated its directions dated September 11, 2001. **The para was kept pending.**

19. Para 9.72: Page 147; Loss of Rs.1,219,168/- Due to Enroute Shortage of Wheat

11-9-2001: The Department explained that recovery of Rs.658,187/- had been effected from the contractor and got verified by Audit.

The recovery of Rs.560,984/- was imposed on two officials (Mr Yousaf Jamal and Mr Abdul Basit, Food Grain Supervisor) who had filed appeal in Punjab Services Tribunal.

The Committee enquired as to how the enroute shortage was apportioned between the Contractor and the officials, when, as per government instructions it was to be recovered from the contractor.

The Committee directed that full facts of the case should be given in the Working Paper for the next meeting to be held on September 26, 2001. The para was kept pending.

26-9-2001: The Department explained that the wheat had never reached its destination. There appeared to be connivance between those at the despatching end and the contractor. The Arbitration Committee apportioned the shortage between the officials and the contractor and the Authority imposed recovery on the officials accordingly. The appeal of the officials was pending in the Punjab Services Tribunal.

The Department was directed to pursue recovery/case. The para was kept pending.

26-12-2001: The para was discussed in the light of the PAC directives dated September 11, 2001. The Department explained that the case of balance recovery was pending before the Punjab Service Tribunal and the next date of hearing was fixed for December 28, 2001. The Committee observed that the Department had not submitted the detail about enroute shortage as directed by the PAC on September 11, 2001. The Department was directed to revise its working paper by bringing all the facts in the next meeting. **The para was kept pending.**

20. Para 9.79: Page 151; Loss Due to Outstanding Balance Amounting to Rs.418,040/- Recovery Thereof

10-9-2001: The Department explained that the Authority had imposed recovery of Rs.401,048/- and the accused were absconding. The para was kept pending.

25-10-2001: The para was considered with reference to directive of PAC dated September 10, 2001.

The Department explained that the recovery was now being pursued as arrears of land revenue.

The Department was directed to expedite recovery, and initiate action against the officers/officials responsible for delay in taking action against the defaulter. **The para was kept pending.**

21. Para 9.86: Page 156; Loss of Rs.1,147,790/- Due to Shortage of Bardana

11-9-2001: The Department explained centre-wise position of shortages of gunny bags and recovery.

In all, the recoveries of the amounts of Rs.76,989/-, Rs.31,114/-, Rs.10,696/-, Rs.7,350/-, Rs.27,840/-, Rs.37,100/- and Rs.29,960/- had been verified by Audit.

The Administrative Department was directed to pursue the recovery/write off of the remaining amounts and the Finance Department was directed to pursue the same. **The para was kept pending.**

22. Para 9.87: Page 157; Loss of Rs.1,342,530/- Due to D-classification of Gunny Bags

11-9-2001: The Department explained the Centre-wise position. In all, the recovery of the amounts of

Rs.6,300/-, Rs.57,795/-, Rs.101,885/-, Rs.4,980/-, Rs.43,704/-, Rs.1,500/-, Rs.5,092/-, Rs.13,086/- Rs.115/-, Rs.240/-, Rs.4,137/- and Rs.90,000/- had been verified by Audit.

The Department was directed to get the other amounts which had been recovered, verified by Audit and pursue the balance recovery. **The para was kept pending.**

23. Para 9.93: Page 160; Loss of Rs.234,338/- Due to Non-recovery of Penalty

10-9-2001: The recovery of Rs.185,000/- had been verified by Audit. The Department explained that efforts for balance recovery of Rs.49,338/- were being made. The para was kept pending.

26-9-2001: The Department explained that part recovery had been made and the remaining amount was not recoverable.

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

26-12-2001: The Department explained that the contractor had agitated against the recovery of Rs. 185,000/- which was reportedly effected by the DFC, Multan by forfeiting his security in some other contracts. The Finance Department maintained that adjustment of security taken in other contracts was illegal. The Committee directed the Department and Audit to jointly sort out this matter and submit their report in the next meeting. **The para was kept pending.**

Special Directive

The Administrative Secretary was of the view that the loss of Bardana could be minimized if the recycling of Bardana was stopped and instead new gunny bags were purchased by the Department.

The Committee observed that the Department should improve its internal control system with regard to counting and classification of Gunny Bags. The Government may also consider whether by discarding the practice of recycling the gunny bags, could the problem of loss of Bardana be solved.

FORESTRY, FISHERIES, WILDLIFE AND TOURISM DEVELOPMENT DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
10	4	6	--	--

Abstract

Status	Decision	Para Nos.	Total Paras	Details (Pages)
Paras Finally Settled 9	Paras finally settled as the requisite action had been taken.	Civil: 10.1, 10.3 and 10.4	3	297
		Commercial: 3(xi), 57, 58, 59, 60 and 61	6	297-300
		Works:		
Paras Conditionally Settled	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Committee every six months.	Civil:		
		Commercial:		
		Works:		
Paras Pended 1	Paras kept pending for want of satisfactory action by the Department.	Civil: 10.2	1	301
		Commercial:		
		Works:		
	Paras still pending because the Department did not submit the working papers.	Civil:		
		Commercial:		
		Works:		

Discussed on 10 May, 23 & 27 August and 16 October 2001

Paras Finally Settled (Civil Audit)

1. Para 10.1: Page 165; Loss of Rs.59,008/- Due to Irregular/Improper Use of Government Vehicle by a Minister

10-5-2001: The Department explained that the vehicle was used by the Staff Officer to the then Minister for Fisheries and not by the Minister.

The Committee directed that the Department should produce the relevant record to Audit for verification whether the vehicle had been used by the Minister or his Staff Officer and in case it had been used by the Staff Officer, whether such use was admissible or justified. The para was kept pending.

27-8-2001: The Department explained that the vehicle was used by the Staff Officer to the Minister for official purposes.

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

2. Para 10.3: Page 167; Irregular Expenditure of Rs.69,900/- Incurred on Purchase of Equipment

10-5-2001: Audit had verified that the expenditure was incurred after obtaining sanction from the competent authority. **The para was settled.**

3. Para 10.4 Page 167; Non-recovery of Rs.282,183/- POL Charges Used Over and Above the Prescribed Limit

10-5-2001: The Department contended that the ceiling of POL fixed by the Finance Department for the official vehicles allotted to the officers was not applicable to the Fisheries Department where vehicles were used in promoting the extension services to the fishing farms in public and private sector. Moreover, the journeys were performed in the best public interest.

The Committee directed the Department to show the required record including log books, tour programme, etc. to Audit for verification. The para was kept pending.

27-8-2001: In the previous meeting held on 10-5-2001, the Department had been directed to produce the relevant record to Audit. Audit reported that log book of only one vehicle had been shown which was incomplete and without MPG certificate.

The Committee reiterated its previous decision with the direction to the Department to produce the log books of all the vehicles to the Audit for verification. The Secretary undertook to get the verification completed by the end of the month. The para was kept pending.

16-10-2001: The Department explained that the vehicle in question belonged to the transport pool and the POL ceiling was not applicable to it.

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

(Commercial Audit)

1. Para 3(xi): Page 6; Government Jallo Rosin and Turpentine Factory Lahore

23-8-2001: The Department explained that as the factory had been closed since 1987-88, its Commercial Accounts were not being prepared. Reserve price was being determined for disposal of

the factory.

The Committee directed that the accounts of the factory should be updated and evaluation of assets should be got expedited. All actions should be completed within three months. The para was kept pending.

16-10-2001: The Department explained that Commercial Accounts upto the year 1999-2000 had been submitted to Audit. The matter for fixation of reserve price for auction of machinery of the factory had been taken up with the Finance Department. The Committee directed that necessary action in the matter should be expedited and latest position reported in the working paper for the Audit Report for the year 1997-98. **The para was settled.**

2. Para 57: Page 45; Working Results of the TDCP

10-5-2001: Audit had commented that the Corporation had sustained heavy losses of Rs.25.591 million in 1996-97, Rs.21.145 million in 1997-98 and Rs.8.466 million in 1998-99. It had obtained heavy loans of Rs.455.860 million which were payable as on 30.6.2000.

The Department replied that the Board of Directors of the Corporation was fully conscious of the situation and various corrective measures had been adopted. On a query by the Committee, the Department informed that no meeting of the Board had been held after 1998.

The Committee observed that financial results of the Tourism Development Corporation of Punjab were disappointing and directed that the Department should immediately call the meeting of the Board of Directors, which should take stock of the situation and also consider the option of winding up the Corporation. The para was kept pending.

23-8-2001: The Department explained that the working results of the Corporation had improved and the trend was on the positive side. The Department further stated that the Corporation was now a self-supporting organization and the profits were expected to increase in future which would help eliminate the accumulated losses.

The Committee observed that organizational matters of the Corporation should also be looked into. A bottom line of performance be kept in view, and the results of public spending in short-term and long-term should also come out. **The para was noted by the Committee.**

3. Para 58: Page 46; Heavy amount of Receivables

10-5-2001: Audit reported that advances, deposits, prepayments and other receivables stood at Rs.13.219 million on 30.06.1996, at Rs.15.65 million on 30.06.1997 and at Rs.28.650 million on 30-06-2000.

The Committee was not satisfied with the reasons given by the Department for non-recovery of the said amounts and directed that the Department should immediately call a meeting of the Board of Directors to consider all these Audit observations, for taking necessary action in the matter. The para was kept pending.

23-8-2001: The Department explained that the matter was sub-judice and efforts were being made to reach an agreement with the contractors. The Department stated that an amount of Rs.3,000,000/- had been recovered from the contractors and the balance amount of Rs.8,000,000/- was in question. The Department expressed its hope that it would soon resolve the issue with the contractor.

The Committee directed the Department to settle this issue within one month. **The para was noted by the Committee.**

4. Para 59: Page 46; Capital Work in progress

10-5-2001: Audit reported that capital work-in-progress stood at Rs.16.30 million on 30.6.97.

The Department explained that all projects appearing in "Capital work-in-Progress" on 30-6-1997 had since been capitalised. The Audit, however, commented that the statement made by the Department was not wholly correct.

The Committee directed that correct and complete facts and figures should be given in the revised working papers for the next meeting. The para was kept pending.

23-8-2001: Explaining the amount of Rs.14,204/- million, shown as work in progress, the Department explained that Rs.1,090,600/- was recoverable from M/s Peer Films, and the matter was sub-judice. The amount of Rs.1,019,799/- was spent on Liberty Park which was later on handed over to LDA. An amount of Rs.184,583/- was recoverable from Government Departments and Rs.339,111/- from contractors and efforts were being made to recover the amounts. **The Committee noted the para.**

5. Para 60: Page 46; Sundry Debts

10-5-2001: Audit reported that out of total recoverable debt of Rs.1.051 million on 30.6.1997, the recovery of the debt of Rs.0.673 was doubtful. Audit further commented that the provision of doubtful debt increased from Rs.0.673 million on 30.6.1997 to Rs.0.916 million on 30.6.2000.

The Department was directed to pursue the recovery of the long standing dues. The para was kept pending.

23-8-2001: Explaining the outstanding debts of Rs.1.057 million, the Department stated that efforts were being made to recover the same. **The Committee noted the para.**

6. Para 61: Page 46; Long-term Loans

10-5-2001: Audit reported that long term loans from Government of the Punjab stood at Rs.453.919 million on 30.6.97. No provision for interest payable on these long term loans had been made in the accounts on the plea that terms and conditions of these loans remained unsettled and Corporation's proposal for conversion of these loans into equity or grant was pending with the Government of the Punjab.

The Committee directed the Department to immediately call the meeting of the Board of Directors to consider all the matters pointed out by Audit. The para was kept pending.

The Committee directed that the Department should give a briefing to the Committee in its next meeting on the preservation of wildlife in the Province.

23-8-2001: Explaining the long-term loans owed by Corporation to the Government of Punjab, the Department stated that the matters would be placed before the Board of Governors. **The Committee noted the para.**

General Observations/Directives

The Committee directed that the audited Profit and Loss Statement, Balance Sheet and

Auditor's notes and certificates in respect of TDCP should in future be submitted to the Committee, along with the Working Papers.

Paras Pended

(Civil Audit)

1. Para 10.2 Page 166; Loss of Imported Fish Farming Implements Due to Fire at Dry Port Lahore worth Rs.7,843,427/-

10-5-2001: Audit reported loss of imported fish farming implements worth Rs.7,843,427/- due to fire at the Dry Port Lahore.

The Department explained that the whole consignment was burnt to ashes due to fire caused by sabotage action.

The Committee directed the Department to hold an inquiry at an appropriate level, to scrutinize the matters involved in the case including the terms and conditions of the contract agreement, bank guarantee, insurance policy, import documents, opening of Letter of Credit, efficacy of the action taken so far by the Department, fixation of responsibility for the loss and take action against the foreign suppliers, local agent and officers concerned, as warranted by law and the rules. The para was kept pending.

27-8-2001: The para was considered in the light of the minutes of the meeting dated May 10, 2001.

The Department explained that as per directive of the Committee, an inquiry was held and Inquiry Report had been submitted to the Administrative Secretary. The Administrative Secretary stated that he was not satisfied with the inquiry and assured the Committee that he would hold a fresh inquiry in the light of the previous direction of the Committee and take action accordingly. The para was kept pending.

16-10-2001: The Department explained that the report of the fresh inquiry had been received and was being examined. The Committee directed that decision and action should be finalized expeditiously. Copies of the Inquiry Report and decision should be produced to Audit. **The para was kept pending.**

HEALTH DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
112	108	4	--	--

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 73	Paras finally settled as the requisite action had been taken.	Civil: 11.1, 11.2, 11.3, 11.5, 11.6, 11.7, 11.9, 11.10, 11.11, 11.12, 11.15, 11.16, 11.19, 11.20, 11.21, 11.22, 11.23, 11.24, 11.27, 11.28, 11.29, 11.31, 11.34(1), 11.34(2), 11.34(3), 11.37, 11.38(1), 11.38(2), 11.38(3), 11.38(4), 11.38(5), 11.39, 11.41, 11.43(1), 11.43(2), 11.46, 11.48, 11.50, 11.51, 11.53, 11.54, 11.57, 11.60, 11.61(1), 11.61(2), 11.61(4), 11.61(5), 11.64, 11.65, 11.70(1), 11.70(2), 11.70(3), 11.70(5), 11.70(6), 11.70(7), 11.70(8), 11.70(9), 11.70(10), 11.70(11), 11.70(12), 11.70(13), 11.71, 11.72, 11.74, 11.79, 11.80(1), 11.80(2), 11.81, 11.82	69	307-322
		Commercial: 3(xii and xiii), 62, 63		
Paras Conditionally Settled 16	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 11.4, 11.8, 11.13, 11.14, 11.25, 11.30, 11.36, 11.40, 11.42, 11.45, 11.47, 11.49, 11.55, 11.59, 11.62, 11.70(14)	16	324-333
		Commercial:		
Paras Pended 23	Paras pended as the Department had not taken satisfactory action.	Civil: 11.17, 11.18, 11.26, 11.32, 11.33, 11.35, 11.44, 11.52, 11.56, 11.58, 11.61(3), 11.63, 11.66, 11.67, 11.68, 11.69, 11.70(4), 11.70(15), 11.73, 11.75, 11.76, 11.77, 11.78	23	334-350
	Paras pended as the Department did not submit the working paper.	Commercial:		

Discussed on 21 & 22 February, 11-13 June, 16 & 17 August, 27 September and 7 November 2001

Paras Finally Settled

(Civil Audit)

1. Para 11.1: Page 171; Embezzlement of Rs.166,923/-

21-2-2001: The recovery of the embezzled amount of Rs.466,923/- had been made and deposited on January 10, 2001, and verified by Audit. In view of above, **the para was settled.**

The Committee, however, observed that the Departmental action had been taken and cases had been registered with Anti-Corruption Establishment only against the Junior Clerks, and the D.D.O. had been absolved of the liability in this case. Secondly, the said Junior Clerks had been removed from service in January and April, 2000 but the recovery had been made in January, 2001, which might have been deposited by the D.D.O. or other officers to shelve the matter. The Committee advised the Administrative Secretary to look into these aspects of the matter with a view to effecting improvements in the internal control system and to check the recurrence of such incidents in future.

2. Para 11.2: Page 171; Likely embezzlement of Rs.67,844/-

12-6-2001: The Department explained that an enquiry committee under the Chairmanship of DHS Sargodha was constituted to probe into the matter and fix responsibility. The committee reported that the record was available which could be shown to Audit for verification.

The Committee directed that the record (as specified in Audit comments in the Working Papers) should be produced to Audit for verification. The para was kept pending.

16-8-2001: The Department explained that all record relating to consumption of POL worth Rs.67,844/- had been got verified by Audit. **The para was settled.**

3. Para 11.3: Page 172; Irregular and unjustified Repair of Vehicles for Rs.292,625/-

12-06-2001: The Department explained that as required by Audit a certificate had been produced to Audit to the effect that the payment was made by the Director, Health Services Multan and no allocation was made to the DDOs. The Committee accepted the explanation of the Department and **the para was settled.**

4. Para 11.5: Page 173; Irregular continual of service and drawal of pay & allowances amounting to Rs.170,024/-

21-2-2001: The Department explained that as a result of inquiry it had been revealed that Syed Farhat Ali Shah was appointed as Radiographer in BS-6 on ad-hoc basis for six months w.e. f. April 13, 1988, but without extension in the period of his ad-hoc appointment he had been transferred from DHQ Hospital, Rajanpur to various Institutions. Later on, he was regularized w. e.f. June 17, 1989 by the DHO Muzaffargarh. The Department admitted that the said DHO was not competent to regularize him and the case for regularization had been referred to the Finance Department.

The Committee took a serious notice of the administrative lapses whereby an ad-hoc appointee continued to draw his pay after expiry of the period of his ad-hoc appointment. The

Committee directed the Department to hold an inquiry into the matter and fix responsibility for not taking prompt action to discontinue the payment of salary to the ad-hoc employee, on expiry of his ad-hoc service w.e.f October 13, 1988 and for unauthorizedly granting him regularization when he did not possess the requisite qualification. The Committee directed that the Department should complete the inquiry and the resultant action in the matter expeditiously and explain compliance in its working paper of the next appearance before the PAC. The para was kept pending.

11-6-2001: The Department explained that the Departmental inquiry had revealed that a non-qualified person was appointed as Radiographer (B-6) without observing the recruitment procedure prescribed in the Rules and the then Deputy Director Health Services, D.G.Khan, District Health Officer, Muzaffargarh, and the Radiographer, THQ Hospital, Alipur, were responsible for the irregularity.

The Committee directed that action should be taken under the relevant law/rules against all those persons involved in the irregularity, whether they were in service or had retired from service, including the District Accounts Officers, who had paid the salaries. The para was kept pending.

16-8-2001: The Department explained that as a result of disciplinary proceedings the illegally appointed Radiographer had been dismissed from service and penalty of recovery of Rs.42,506/20 being 1/4th of his pay had been imposed on him vide order dated July 27, 2001. Moreover, the officers responsible for his un-authorized induction in service and subsequent "regularization" were being proceeded against under the Pension Rules for recovery of 3/4th of the salaries paid to Mr Farhat Ali Shah, Radiographer.

The Committee directed that the Department should also make a detailed reference to Accountant General, Punjab for action against District Accounts Officers who continued to allow salary to the illegally appointed person. **The para was settled.**

5. Para 11.6: Page 174; Irregular Purchase of Store Articles of Rs.199,900/- without Budget Provision

11-6-2001: The Department explained that the expenditure was incurred in anticipation of provisions of funds in the public interest, and after observing the codal formalities, and subsequently the expenditure was covered by the modified grant. The expenditure was made to ensure availability of essential stores to start sessions of LHVs and the claims were accepted at the pre-audit counter.

As the expenditure had been covered by the modified grant, **the para was settled.**

6. Para 11.7 Page 175; Blockade of Government Funds Amounting to Rs.1,237,798/- Due to Unnecessary Purchase of Equipment/Instruments/Dental Units

22-2-2001: It was explained that the Dental Unit and equipment had been purchased by the Health Department and provided to Rural Health Center Khabaki, Khushab in 1995-96. However, as the construction of building and electrical installation was delayed, the Dental Unit was installed in December, 1997.

The Committee observed that it was a typical example of bad planning, which should be avoided in future. With the above observation, **the para was settled.**

7. Para 11.9: Page 176; Shortage of Stores Worth Rs.340,930/-

21-2-2001: The account of items of bedding, clothing, furniture and printing and stationery etc. valuing Rs.292,630/- and printing items amounting to Rs. 48,300/- had been verified by Audit. **The para was settled.**

8. Para 11.10: Page 177; Shortage of Store Articles Valuing Rs.56,075/-

22-2-2001: The Department explained that the shortage of stock had since been made good by the officials concerned and verified by Audit. **The para was settled.**

9. Para 11.11: Page 177; Non-deduction of House Rent Amounting to Rs.193,270/-

11-6-2001: The Department explained that the amount of this para was not recoverable, as employees in Grade 1 to 3 were exempt from deduction of 5% House Rent under government instructions. The explanation of the Department was accepted and **the para was settled.**

10. Para 11.12: Page 178; Non-deduction of government dues amounting to Rs.63,087/-

12-6-2001: The Department explained that partial recovery of Rs.51,088/- had been made from the concerned persons on account of electricity charges and balance recovery was under process.

The Department was directed to effect the balance recovery expeditiously. The para was kept pending.

16-8-2001: The Department explained that balance recovery of Rs.12,000/- had been effected and got verified by Audit. **The para was settled.**

11. Para 11.15: Page 179; Non-deduction of House Rent Amounting to Rs.60,932/-

22-2-2001: The Department explained that the total amount of Rs.60,932/- had since been recovered and deposited into the Government treasury. The para was settled subject to verification of total recovery by Audit.

12-06-2001: Audit pointed out that out of the total recovery of Rs.60,932/- an amount of Rs.54,497/- had been verified and the recovery record of the remaining amount of Rs.6,435/- was yet to be verified. The para was settled subject to verification of record of the balance amount.

16-8-2001: The Department explained that the total amount of the para had since been recovered and got verified by Audit. **The para was accordingly settled.**

12. Para 11.16: Page 180; Non-deduction of assessed house rent from the staff nurses residing in the nurses hostel, recovery of Rs.972,027/-

12-6-2001: The Department explained that the actual recoverable amount was Rs.33,115/- instead of Rs.972,027/- out of which Rs.23,680/- had been recovered and the balance amount of Rs.9,435/- would be recovered soon. The Department stated that the rent was recoverable only from 12 Nurses, and not from the 9 remaining Nurses.

The Committee directed that the recovery should be verified by Audit and balance recovery should be made under the rules and the contention of the Department regarding the remaining 9 Nurses should also be verified by Audit. The para was kept pending.

16-8-2001: The Department explained that a total sum of Rs.66,666/- had been recovered and deposited in the government treasury through various challans and relevant record was available

for verification. Moreover, no amount was recoverable from House-keeper and Hostel Superintendent. The para was settled subject to verification by Audit.

27-9-2001: Audit had verified the balance recovery. **The para was settled.**

13. Para 11.19: Page 182; Overpayment of Rs.43,436/- on Account of Salary

12-6-2001: The Department explained that since the Government of the Punjab Finance Department had created the post of Tube Well Operator in Pay Scale No.3 there was no question of recovery in this case. The explanation of the Department was accepted and **the para was settled.**

14. Para 11.20: Page 182; Irregular Payment of Stipend to Under Training Dais Amounting to Rs.66,150/-

21-2-2001: The Department explained that payment of stipend to the under-training Dais had been made after their due selection and after obtaining the requisite security bonds. Audit had verified the record. **The para was settled.**

15. Para 11.21: Page 183; Overpayment of Rs.42,606/-

12-6-2001: The Department explained that all the concerned officials who had reportedly drawn over payment due to irregular promotion, have now been reverted to their original posts. Out of total amount of Rs.42,606/- of over-payment, an amount of Rs.6,037/- had been recovered and the remaining amount of Rs.36,569/- was recoverable from 12 officials who had been given notices of recovery.

The Committee noted that the irregular promotees had since been reverted and **decided to settle the para.**

16. Para 11.22; Page 183; Excess Payment of Rs.57,120/- on Purchase of Medicines at Higher Rates

21-2-2001: The Department explained that the lowest rates of medicines obtained by Medical Stores Depot for bulk supplies at Lahore could not be applied to local purchase of medicine, in small quantities at far off places. However, Departmental inquiry had revealed that Medical Superintendents General Hospital Gojra, had not followed codal formalities for making the purchases in question. Therefore, a recovery of Rs.23,400/- had been imposed on Dr Abdul Haleem (since retired) which had since been recovered and of Rs.33,720/- on Dr Muhammad Saleem Sheikh (deceased). The case for write off of the latter amount, on humanitarian grounds, had been referred to the Finance Department.

The recovery of Rs.23,400/- had been verified by Audit.

The para was settled subject to write off sanction for Rs.33,720/- by the Finance Department, and its verification by Audit.

11-6-2001: This para was considered with reference to the minutes of the Committee's meeting held on 21 February 2001.

The Committee re-iterated its previous decision whereby the para was settled subject to write off sanction by the Finance Department of the balance amount of Rs.33,720/- recoverable from the deceased officer.

16-8-2001: The Department explained that the recovery of Rs.23,400 and write off sanction of Rs.33,720/- had been verified by Audit. **The para was settled.**

17. Para 11.23: Page 184; Overpayment of Rs.96,104/- on Account of House Rent and Conveyance Allowance

12-6-2001: The Department explained that the House Rent Allowance/Conveyance Allowance was recoverable only from one charge Nurse who had occupied rooms in the Doctors Hostel, and the recovery of Rs.13,012/- had been made from her. The other rooms were allotted to different Departments of the hospital as Duty Room, therefore, nobody was liable to any recovery in that connection.

The Committee, however, observed that the government should issue specific instructions regarding use of Duty Rooms by Doctors and Hostel Superintendents. **The para was settled.**

18. Para 11.24: Page 184; Loss of Rs.124,768/- Due to Over Drawal of House Rent Allowance and Non-deduction of House Rent, Sui Gas & Electricity Charges

12-6-2001: Audit pointed out that after verification of record the amount of the para was reduced to Rs.19,956/- which had since been recovered by the Department and verified by Audit. **The para was settled.**

19. Para 11.27: Page 186; Loss of Rs.137,897/- Due to Shortage of Store Articles

13-6-2001: Audit reported that perusal of record produced by the Department had shown that out of total shortage of material worth Rs.137,897/-, material costing Rs.125,255/- had been shown as condemned and auctioned for Rs.1,789/- and for the remaining short material valuing Rs.12,642/- recovery had been made.

Audit, however, expressed its doubts about the authenticity of the record which had been re-constructed to “cover” the shortage.

The Committee directed that a thorough inquiry may be held into the matter and action be taken accordingly before the next meeting. The para was kept pending.

16-8-2001: The Department explained that the auction of material worth Rs.125,255/- and recovery of Rs.12,642/- had been got verified by Audit. **The Committee settled the para.**

20. Para 11.28: Page 187; Loss of Rs.71,298/- Due to Shortage of Store/Stock

11-6-2001: The recoveries of Rs.58,741/- and Rs.12,557/- had been verified by Audit.

As the total amount of Rs.71,298/- had been recovered, **the para was settled.**

21. Para 11.29 Page 187; Loss of Rs.66,895/- Due to Non-Deduction of House Rent

22-2-2001: The Department stated that total recovery had been effected and deposited into Government treasury. The para was settled subject to verification of total recovery by Audit.

11-6-2001: This para was considered with reference to the minutes of the Committee’s meeting held on 22 February 2001.

Audit had verified recoveries of Rs.28,854/- and Rs.1,953/-. The Department contended that the balance amount of Rs.36,087/86 was not recoverable. The Department was directed to produce the relevant record in support of its contention to Audit for verification. The para was kept pending.

16-8-2001: The Department explained that total amount of Rs.66,895/- had since been recovered and got verified by Audit. **The para was settled.**

22. Para 11.31: Page 188; Loss of Rs.450,000/- Due to Theft of Government Vehicle

22-2-2001: The Department stated that vehicle No. MNL-3856 had been recovered and handed over to the Institution (Public Health Nursing School, Multan) on May 24, 2000. Audit, however, pointed out that the engine no. of the vehicle had been tampered with. Moreover, the theft case was still pending in the Court.

The Department was directed to take necessary action in the matter. The para was kept pending.

11-6-2001: The para was considered with reference to Public Accounts Committee's minutes dated 22 February, 2001. It was observed that the stolen vehicle had been received in the Department on "Superdari" for the last one and a half year, under valid order of the court. **The para was settled.**

23. Para 11.34(1): Page 190; Loss of Rs. 17,743/- Due to Less/Non-Deduction of Income Tax (DHO, Layyah)

21-2-2001: The Department explained that total recovery of Rs.17,743/- had been effected and deposited into Government treasury. The recovery had been verified by Audit. **The item was settled.**

24. Para 11.34(2): Page 190; Loss of Rs. 30,404/- Due to Less/Non-Deduction of Income Tax (DHS, Multan)

21-2-2001: The Department explained that recovery of income tax amounting to Rs.30,404/- had been made and deposited into Government treasury and got verified by Audit. **The item was settled.**

25. Para 11.34(3): Page 190; Loss of Rs. 31,959/- Due to Less/Non-Deduction of Income Tax (DHA, Sargodha)

21-2-2001: The Department explained that income tax amounting to Rs.31,959/- had been deducted from various bills of contractors and verified by Audit. **The item was settled.**

26. Para 11.37: Page 192; Loss and Misappropriation of Rs.50,000/- Due to Auction of Cycle Stand/Canteen on Low Rates

13-6-2001: The explanation of the Department was accepted and **the para was settled.**

27. Para 11.38(1): Page 193; Loss of Rs. 37,426/- Due to Misappropriation of Medicines/ Other Stock Items

11-6-2001: Audit had verified the recoveries of Rs.5,811/- and Rs.15,960/- and account of the remaining medicine. **The para was settled.**

28. Para 11.38(2): Page 193; Loss of Rs. 25,430/- Due to Misappropriation of Medicines/ Other Stock Items

21-2-2001: The Department explained that misappropriated amount of Rs.25,430/- had been recovered from the defaulters.

The Committee settled this item of the para subject to verification of total recovery by Audit.

11-6-2001: Recovery of the entire amount of Rs.25,430/- had been verified by Audit. **The para was settled.**

29. Para 11.38(3): Page 193; Loss of Rs. 28,130/- Due to Misappropriation of Medicines/

Other Stock Items

11-6-2001: Audit conceded to the Departmental contention that the articles in question were not medicines but were other consumables, viz., microscope slides and their proper account was available. **The para was settled.**

The Committee, however, observed that Auditor in this case should have been more careful in verifying the facts before raising the objection. Further, if proper standards of audit and reporting had been followed, the mistake could have been detected before including the case in Audit report.

30. Para 11.38(4): Page 193; Loss of Rs. 32,350/- Due to Misappropriation of Medicines/ Other Stock Items

13-6-2001: The Department explained that in the Departmental inquiry, it had been established that an amount of Rs.31,050/- was recoverable from the Housekeeper and the concerned Storekeeper. Out of this amount, an amount of Rs.14,700/- had been recovered from the Housekeeper on May 28, 2001, and as a result of recovery proceedings started against the Storekeeper, recovery of first installment of Rs.4,000/- had been effected. Disciplinary action against the said Storekeeper was also in process.

The Committee directed that the recovery and disciplinary action should be finalized before its next meeting. The para was kept pending.

16-8-2001: The Department explained that total recovery of Rs.32,350/- had been made and minor penalty of "Censure" imposed on the Storekeeper, which had been got verified by Audit. **The para was settled.**

31. Para 11.38(5): Page 193; Loss of Rs. 16,822/- Due to Misappropriation of Medicines/ Other Stock Items

13-6-2001: The para was settled as the recovery of Rs.16,822/- had been verified by Audit.

32. Para 11.39: Page 194; Loss of Rs.62,848/- Due to Less Deposit of Balance Amount Drawn for Treatment

13-6-2001: Audit had pointed out that against the advance of Rs.1,097,980/- sanctioned for treatment abroad of the son of a Senator, the vouched accounts of Rs.1,006,932/- had been rendered by him and an amount of Rs.28,200/- had also been deposited by him leaving a balance of Rs.62,848/- as unaccounted for.

The Department explained that actual recoverable amount was Rs.190,768/- which had been recovered on November 24, 1997.

The Department was directed to produce the relevant record specified in Audit comments in the Working Paper to Audit for verification and report. The para was kept pending.

16-8-2001: The Department explained that the actual recoverable amount of Rs.190,768/- had been recovered and got verified by Audit. **The para was settled.**

33. Para 11.41: Page 195; Loss of Rs.1,000,000/- Due to Theft of Government Vehicle (Toyota Hiace)

21-2-2001: The Department explained that the stolen vehicle had been recovered by the Police Department and handed over to the Para Medical School Sargodha. **In view of this, the para was settled.**

34. Para 11.43(1): Page 196 Loss of Rs.93,600/- on Account of Illegal Use of Electricity

13-6-2001: Audit reported misuse of electricity amounting to Rs.93,600/- by the staff members of the Rural Health Centres/Basic Health Units Sialkot.

The Department explained that the matter had been investigated and no electricity connection from the meters of main building was given to the residence of any officers/ officials.

Audit maintained that the Department had not been able to prove their contention with relevant record. Audit however, admitted that the amount of the para was based on estimation.

The Committee observed that the inquiry made by the Department was not properly conducted into the allegation of illegal electricity consumption, and directed that the matter should be inquired into again and action taken in the matter before the Committee's next meeting.

The Committee further directed that the justification for granting House Rent Allowance to Dr Fayyaz, Medical Officer due to "non-completion of MO's residence" vide DHO order No. M/O-645/C dated March 28, 1991 as pointed out in the Departmental explanation, should also be inquired into it in the light of the extant Rules and the correct position reported to the Committee. The para was kept pending.

16-8-2001: The Department explained that as per directive of the Committee dated June 13, 2001, the matter was re-probed and it was established that a sum of Rs.83,800/- was not recoverable and actual recovery of Rs.9,800/- had been made from 5 officials. **The para was settled.**

35. Para 11.43(2): Page 196; Loss of Rs.21,100/- on Account of Illegal Use of Electricity

11-6-2001: The Department explained that an amount of Rs.18,000/- on account of electricity charges had been recovered and had been verified by Audit on May 31, 2001. The matter for the remaining amount of Rs.3,100/- would be re-examined and necessary action taken accordingly. The para was kept pending.

16-8-2001: The Department explained that the total amount had since been recovered. The para was settled, subject to verification of recovery by Audit.

27-9-2001: The balance recovery had been verified by Audit. **The para was settled.**

36. Para 11.46: Page 198; Recovery of Rs.58,616/- on Account of Non-Deduction of House Rent

13-6-2001: Audit reported that the actual recoverable amount was Rs.54,815/-. The recovery of Rs.46,978/- and the exemption of Rs.7,837/- had been verified by Audit. **The para was settled.**

37. Para 11.48: Page 199; Non-Recovery of Rs.166,918/- on Account of House Rent Deductions

13-6-2001: The Department replied that out of total recoverable amount a sum of Rs.143,467/- had been recovered.

The Committee directed the Department to effect balance recovery. The para was settled subject to recovery and its verification.

16-8-2001: The Department explained that recovery of Rs.145,061/- had been got verified by Audit and order for balance recovery of Rs.21,857/- would be issued soon.

The Committee settled the para subject to issuance of orders of recovery, and verification of these orders by Audit.

27-9-2001: The recovery had been verified by Audit. **The para was settled.**

38. Para 11.50: Page 200; Recovery of Rs.74,550/- on the Account of Un-authorized Drawal of Qualification Pay

21-2-2001: The Department explained that the Finance Department had clarified that the M. D. Degree from Baha-ud-Din Zakariya University, Multan would be considered equal to Ph.D. Degree for the purpose of grant of qualification pay. Administrative Department had duly sanctioned the allowance to Dr Asghar Ali Randhwana who possesses M.D Degree from the said University. The explanation of the Department was accepted and **the para was settled.**

39. Para 11.51: Page 200; Non Recovery of Rs.100,068/- on Account of Less Deduction of House Rent

13-6-2001: The Department explained that the amount of the para comes to Rs.91,925/- instead of Rs.100,068/-. A further amount of Rs.22,510/- was not recoverable due to exemption of Assistant Wardens. The balance amount of Rs.69,415/- had been recovered. The explanation of the Department was accepted and **the para was settled.**

40. Para 11.53: Page 201; Recovery of House Rent Amounting to Rs.81,510/-

13-6-2001: The Department explained that a sum of Rs.52,359/- had been recovered, and the remaining amount of Rs.29,151/- was not recoverable. The para was settled subject to verification by Audit.

16-8-2001: As the recovery/record had been verified by Audit, **the para was settled.**

41. Para 11.54: Page 202; Recovery of Rs.144,101/- Due to Irregular Grant of Advance Increments

21-2-2001: The Department's working paper regarding this para was not clear.

The Committee directed the Department to take necessary action for resolving the issue and to submit a revised Working Paper in the next meeting. The para was kept pending.

12-6-2001: The Department explained that the Supreme Court of Pakistan vide its judgement dated August 12, 1999 restrained the recovery of the amount already drawn by the officers on account of advance increments. The Committee accepted the explanation of the Department and **the para was settled.**

42. Para 11.57: Page 203; Non Production of Disbursement Record for Rs.948,172/-

13-6-2001: Audit informed the Committee that vouched accounts for Rs.948,172/- in THQ, Fort Abbas during the 1995-96, had been shown to Audit in May 2001. **The para was settled.**

43. Para 11.60: Page 205; Non Deposit of College Bus Fare Charges for Rs.1,074,269/- and Unauthorized Expenditure of Rs.1,015,855/-

13-6-2001: The Department explained that the expenditure in question had been made from the Students' Fund. Audit had verified that no government money was spent on the maintenance of the College buses.

The Committee observed that the government should prescribe standard operating procedures for maintenance of accounts and use of Students' Funds, in all Health Education Colleges/ Institutions. **The para was settled with the above observation.**

44. Para 11.61(1): Page 207; Non Deposit of Government Receipts Amounting to Rs. 31,473/-

22-2-2001: The Department explained that recovery of full amount had been made and verified by Audit.

The Committee observed that the Department should streamline the procedure for the maintenance and use of official ambulances and handling of ambulance charges received in cash from the patients or their attendants in order to ensure that these are promptly deposited into the treasury. The Committee viewed that the D.D.Os concerned should also be made responsible for proper handling of government receipts. With the above observation, **the item was settled.**

45. Para 11.61(2); Page 207; Non Deposit of Government Receipts Amounting to Rs. 59,840/-

22-2-2001: The Department explained that total recovery of Rs.59,840/- had been effected and deposited into the treasury. The item was settled subject to verification of total recovery by Audit.

12-6-2001: Audit pointed out that the recovery had been effected and deposited in the Government account and record had been verified by Audit. **The item was settled.**

46. Para 11.61(4); Page 207; Non Deposit of Government Receipts Amounting to Rs.56,790/-

13-6-2001: Audit had verified the deposit of Rs.118,628/- and Rs.31,734/- on account of OPD fee and indoor patients' fee respectively.

The Department explained that the balance amount of Rs.1,920/- had also been deposited.

The para was settled subject to verification by the Treasury Officer/District Accounts Officer instead of the Sub-Treasury Officer. The Finance Department was directed to issue instructions to DHO to get the verification done.

17-8-2001: The credit verification of the deposits had since been made by the District Accounts Officer, as per direction of the Committee. **The para was settled.**

47. Para 11.61(5); Page 207; Non Deposit of Government Receipts Amounting to Rs. 45,819.70 (THQ Hospital, Wazirabad)

22-2-2001: The Department explained that the actual recoverable amount came to Rs.43,664/80 instead of Rs.45,819/70 which had been recovered and deposited into the government treasury and verified by audit. The D.D.O. had retired 3 years ago. **The item was settled.**

48. Para 11.64; Page 209; Likely Misappropriation of Stock Costing Rs.244,035/-

13-6-2001: The Stock Register showing the purchase and consumption of articles had been verified by Audit. **The para was settled.**

49. Para 11.65; Page 210 Misappropriation of Government Money Rs.85,356/-.

12-6-2001: The Department explained that the amount involved in the para had been recovered.

The Committee directed that the recovery of the amount should be got re-verified by Audit and action should be taken under the Punjab Removal from Service (Special Powers) Ordinance, 2000, against the officials who drew the pay of absentee officials. The para was settled subject to re-verification of recovery by Audit.

17-8-2001: The Department informed that recovery had already been effected and deposited

in the government treasury, and action against the officials responsible for late deposit was in process. **As the amount had been recovered, the Committee decided to settle the para.**

50. Para 11.70(1): Page 213; Misappropriation of Rs. 18,192/- on account of Ambulance Charges, (Lease Money) DHQ Hospital, Layyah

22-2-2001: The Department replied that total recovery of Rs.18,192/- had been effected and verified by Audit. Moreover, the official at fault had been “Censured” under the Efficiency & Discipline Rules. **The item was settled.**

51. Para 11.70(2): Page 213; Misappropriation of Rs. 20,558/- on account of Purchee Fee, Ambulance Charges, Lease Money (DHQ Hospital, Layyah)

22-2-2001: The Department replied that entire amount of Rs.20,558/- had been deposited into government treasury which had been verified by Audit. Moreover, the official at fault had been “Censured” under the Efficiency & Discipline Rules. **The item was settled.**

52. Para 11.70(3): Page 213; Misappropriation of Rs. 41,898/- on account of Purchee Fee, (Ambulance Charges, Lease Money) Allied Hospital, Faisalabad

22-2-2001: The Department replied that full recovery had been effected and deposited into the government treasury which had been verified by Audit. Moreover, the official at fault had been imposed penalty of stoppage of one annual increment under the Efficiency & Discipline Rules. **The item was settled.**

53. Para 11.70(5): Page 213; Likely embezzlement of Ambulance charges Rs. 12,869/- (M/s DHQ Hospital, Mianwali)

22-2-2001: The Department explained that total recovery of Rs.12,869/- had been made and deposited into government treasury and verified by Audit. **The item was settled.**

54. Para 11.70(6): Page 213; Misappropriation of Rs. 27,552/- on account of Ambulance Charges (DHQ, Layyah)

22-2-2001: The Department explained that actual recoverable amount of Rs.27,452/- had since been deposited into government treasury and verified by Audit. **The item was settled.**

55. Para 11.70(7): Page 213; Non-recovery of Rs. 41,700/- (DHQ Hospital, Layyah)

22-2-2001: Audit reported that the bicycle stand and canteen of the Hospital were auctioned on lease at an amount of Rs.41,700/- but the contract money was not deposited into government treasury. The Department explained that total recovery of Rs.41,700/- had been effected and verified by Audit. **The item was settled.**

56. Para 11.70(8): Page 213; Misappropriation of Government Receipts amounting to Rs. 28,228/- (DHQ, Kasur)

22-2-2001: Audit had reported that the amount of Rs.28,228/- realised as Purchee Fee and Ambulance Charges had not been deposited into Government treasury.

The Department explained that official concerned was being proceeded against under the Efficiency & Discipline Rules and the amounts would be recovered and deposited. The item was kept pending.

13-6-2001: The Department explained that an amount of Rs.14,298.25 had been recovered from six dispensers of DHQ, Hospital, Kasur. Two dispensers from whom amounts of Rs.1,850.20 and Rs.9,125/- were recoverable were being proceeded against under E & D Rules. An amount of Rs.2,955/-, recoverable from a deceased dispenser was required to be written off.

The Committee directed the Department to complete the actions expeditiously. The para was kept pending.

17-8-2001: The Department explained that an amount of Rs.25,273/- had been recovered and an amount of Rs.2,955/- had been written off. **The item was settled.**

57. Para 11.70(9): Page 214; Misappropriation of Rs. 28,192/- on account of Purchee Fee, Ambulance Charges, Lease Money

12-6-2001: The Department explained that the amount involved in the item has been recovered and got verified by Audit.

The Committee accepted the explanation of the Department and **the item was settled.**

58. Para 11.70(10): Page 213; Ambulance Charges not deposited Rs. 43,552/- (DHO Khushab)

22-2-2001: The Department explained that actual recoverable amount of Rs.34,104/- had been deposited into the government treasury and verified by Audit. **The item was settled.**

59. Para 11.70(11): Page 215; Misappropriation of Rs. 28,070/- on account of Purchee Fee, Ambulance Charges, Lease Money

13-06-2001: Recovery and deposit of Rs.28,070/- had been verified by Audit. **The para was settled.**

60. Para 11.70(12): Page 213; Likely Embezzlement of Rs.37,988/- on account of Ambulance Charges (Allied Hospital, Faisalabad)

22-2-2001: The Department explained that the entire amount had been deposited into Government Treasury and verified by audit. **The item was settled.**

61. Para 11.70(13): Page 213; Loss/Non-deposit of Government dues recovery of Rs. 33,538/- (DHO, Bhakkar)

22-2-2001: The Department explained that actual recoverable amount of Rs.32,853/- had been deposited and verified by Audit. **The item was settled.**

62. Para 11.71: Page 216; Irregular Expenditure of Rs.978,123/- Due to non-availability of Budget Provisions (DHQ Hospital, Rahim Yar Khan)

22-2-2001: The Department explained that it was a case of mis-classification of expenditure debitable to object-classification code 599 or 598 and there was no mala-fide intention or embezzlement. Audit pointed out that the expenditure needed regularisation under the proper object classification.

The para was settled subject to the requisite regularisation and proper action against the D. D.O.

12-6-2001: The Department explained that in compliance with the direction of the Committee dated February 22, 2001, the case had been forwarded to the Finance Department for regularisation of the irregular expenditure. The Department stated that the D.D.O, Dr Abdul

Wahab had retired on September 22, 1997 and disciplinary action could not, therefore, be taken at this stage.

The Committee re-iterated its previous decision for settlement of the para subject to regularization of the expenditure by the Finance Department.

17-8-2001: The Department explained that the misclassification of expenditure involved in this para, had since been regularized by the Finance Department. **The para was settled.**

63. Para 11.72: Page 216; Irregular Expenditure of Rs.4,440,000/- Due to Unlawful Appointment of National Health Workers

13-6-2001: The Department explained that the inspection of accounts of Prime Minister's Programme (PMP) was beyond the jurisdiction of Director General Audit (Civil) Punjab as the same was conducted by the Federal Government.

The Committee directed that Audit should consider **transferring this para to the Federal Government PAC.**

64. Para 11.74: Page 218; Unauthorized Expenditure of Rs.50,315/- on Purchase of Air Cooler

12-6-2001: The Department explained that the Air Cooler were purchased for Rs.46,600 instead of Rs.50,315/- as pointed out by Audit. The expenditure was incurred under grant No.36 for SAP Scheme No.4792 in accordance with the provisions of PC-1.

Audit accepted the Departmental version as correct and added that the sanctions in this case had been accorded by the competent authority under proper provisions. The Committee accepted the explanation of the Department. **The para was settled.**

65. Para 11.79: Page 221; Irregular Expenditure of Rs.602,280/-.(DHO, Chakwal)

22-2-2001: Audit reported that an amount of Rs.6,022,803/- was incurred on the printing of various registers/forms from private printing press by obtaining piecemeal and splitted sanction of the Director Health Services, Rawalpindi in order to avoid sanction of higher authority, in violation of rules.

The Department replied that inquiry had been conducted into the matter by an Inquiry Committee which concluded that the sanction for the expenditure had actually been split up. The Inquiry Committee, however, recommended that the expenditure may be got regularized from the Finance Department.

The PAC directed the Department to get the expenditure regularized from the competent authority and provide copy of the inquiry report to Audit for comments. The para was kept pending.

13-6-2001: Audit verified that the Finance Department had regularized the expenditure of Rs.602,280/- vide letter No.AAC/HD/1-7/98 dated June 6, 2001. **The para was settled.**

General Observations/Directives

(1) The Health Department and Audit were directed to submit consolidated lists of cases, showing their particulars and the latest positions which had been registered with the Anti Corruption and/or with the Police.

(2) Moreover, a consolidated list of cases referred by the Health Department to concerned Deputy Commissioners for recovery of Government dues as arrears of land revenue should

also be submitted to the Committee.

(3) The Committee observed that there was a need for in-depth review of the organizational set-up in the Health Department and Food Department for better financial management.

Briefing on the Punjab Health Foundation

As desired by the Committee, the Managing Director, Punjab Health Foundation (Mr. Anwar Ahmad Khan) gave a briefing to the Committee on the constitution, functions, organizational structure and working of the Punjab Health Foundation. The Committee was informed that the Punjab Health Foundation was established under the Punjab Health Foundation Act 1992. It started its functioning in April, 1993 with an endowment fund of Rs.500 Million. Its functions included setting up health care facilities at grass-root level, financial assistance to individuals and institutions, self-employment opportunities for medical graduates etc. The Board of Directors of the Foundation included: Minister for Health; Chief Secretary; Chairman P&D; Secretary Finance; Secretary Health; Secretary Population Welfare; Secretary Social Welfare; Managing Director PHF and others. During the period from 1996-97 to 2000-2001, interest-free loans to individuals and institutions had been provided to the extent of Rs.89,842,832/-. The Foundation had invested a total sum of Rs.448.000 Million in National Savings Centre and the Bank of Punjab from which it was earning an income of Rs.6.241 Million per month. The monthly administrative expenses of the Foundation were Rs.0.5 Million. The recovery rate of the loans granted by the Foundation was 96%. The loans granted by the Foundation were fully secured by collateral security.

The Committee observed that the Foundation had apparently not accomplished all the objectives for which it was established. It was not set up merely to act as a finance and credit institution but it had to take all necessary measures for the promotion, development and functioning of health services in the private sector in rural areas and small towns. The Committee, therefore, advised that the Foundation should give priority to the development of health services in rural areas, small towns and in slum areas of the big cities. The Foundation should prepare long-term and short-term plans for achieving all its objectives. In this connection it should fix its targets of performance, in quantifiable terms and chalk out its strategy to achieve those targets. The actual performance of the Foundation should be monitored with reference to its approved plans and targets.

66. Para 11.80(1): Page 222; Irregular expenditure of Rs.93,813/- due to irregular appointment of Sanitary Inspectors

13-6-2001: The Department explained that the services of all non-qualified Sanitary Inspectors had since been terminated.

The Committee directed that the record to prove the Departmental contention should be produced to Audit for verification. The para was kept pending.

17-8-2001: The Department explained that in compliance with the PAC directive the record of appointment and termination of 15 Sanitary Inspectors had been got verified by Audit. **The para was settled.**

67. Para 11.80(2): Page 222; Irregular expenditure of Rs.934,650/- due to irregular

appointment of Sanitary Inspectors

13-6-2001: The Department explained that the services of all non-qualified Sanitary Inspector had since been terminated.

The Committee directed that the record to prove the Departmental contention should be produced to Audit for verification. The para was kept pending.

17-8-2001: The Department explained that in compliance with the directive of PAC the record relating to termination of services of all non-qualified Sanitary Inspectors had been shown to Audit. **The para was settled.**

68. Para 11.81: Page 223; Uneconomical and Irregular Expenditure of Rs.180,770/- on Purchase of Furniture

12-6-2001: The Department explained that the furniture in question had been purchased from Wood Working Centre, Gujrat in accordance with the government instructions contained in the Industries and Mineral Development Department letter No.11-8-25/85 dated January 29, 1985. The Department further explained that the purchases from the Government controlled production unit were being made under the impression of “compulsion” which had recently been clarified vide letter No. AEA-II-1-4/75 (R-V), dated April 24, 2000 by Industries Department. The Committee accepted the explanation of the Department and **the para was settled.**

69. Para 11.82: Page 223; unauthorized expenditure of Rs.749,139/- over and above the sanctioned budget

13-6-2001: The Department admitted that the expenditure of Rs.749,139/- was over and above the modified budgetary grant for the year.

The Committee directed that the Department should produce the details of the excess expenditure of Rs.749,139/-, with justification to Audit and Audit should scrutinize the record and offer its comments. The para was kept pending.

17-8-2001: The Department explained that in compliance with the PAC directive dated June 13,2001, relevant detailed record of allocation, expenditure and modified grant had been shown to Audit. **The para was settled.**

(Commercial Audit)

1. Para 3(xii): Page 6; Government Medical Stores Depot, non compilation of accounts

21-2-2001: Director General, Commercial Audit informed the Committee that the accounts of Government Medical Store Depot for the years 1987-88 to 1992-93 had since been submitted to Audit and the same were being examined. The accounts for the years 1993-94 onwards were still awaited.

The Committee directed that accounts for the year 1993-94 onwards should be submitted to Audit within three months. The para was kept pending.

11-6-2001: This para was considered with reference to the minutes of the Committee’s meeting held on 21 February, 2001.

The Department explained that the Accounts of the Medical Stores Depot upto the year 1996-97 had been submitted to Audit and the Accounts upto the year 1999-2000 would be

submitted to Audit by August, 2001.

The Committee stressed that the Department should make suitable arrangements for preparation of the accounts of the said institution at the proper time, because, besides fulfilling legal requirements these accounts serve the purpose of evaluating the Working results of the organization and taking decisions about its future, and if these accounts were not prepared at the proper time, the very purpose of their preparation was defeated. The Department was directed to submit all the pending accounts of the said Institution by August, 2001. The para was kept pending.

16-8-2001: The Department explained that in compliance with the directives of the Committee dated June 11, 2001, the accounts of Medical Stores Depot upto the year 1999-2000 had since been submitted to Audit. **The para was settled.**

2. Para 3(xiii): Page 6; of Audit Report (Commercial Accounts) Non-compilation of Accounts

21-2-2001: The Department explained that the annual accounts of Punjab Health Foundation for the years 1992-93 to 1997-98 had been prepared and sent to Audit for verification.

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

3. Para 62: Page 47; (Commercial Accounts) Non-conducting of Examination for Pharmacy Assistants since 1991

21-2-2001: The explanation of the Department was accepted and **the para was settled.**

4. Para 63: Page 48; (Commercial Accounts) Working Results of Punjab Pharmacy Council

21-02-2001: The Department explained that expenditure had increased during the year 1996-97 due to rise in the rates of utility bills, postal service stamps and grant of ad-hoc relief, annual increments. The Punjab Pharmacy Council had since taken necessary steps for improvement. All the District Health Officers (Licensing Authority) and Drug Inspectors throughout the Punjab had been directed not to renew drug sale licenses without verification of the Registration Certificate and valid renewal certificate from Punjab Pharmacy Council. Therefore, the income of the Council had increased and Rs.1,364,545/- had been earned by the Council during the year 1998-99.

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

The Committee, however, advised the Administrative Department to reconsider the rationale of declaring the Punjab Pharmacy Council as a commercial organization. The Committee further observed that the Administrative Department should watch and evaluate the performance of the Council and the impact of its activities in the achievement of the avowed objectives for which it had been established.

11-6-2001: This para was considered with reference to the minutes of the Committee's meeting held on 21 February 2001. As per direction of the Committee, the Department had briefly given an evaluation of the working of Punjab Pharmacy Council and had proposed an action plan for achieving the objectives of the Council.

The Committee directed that all the measures being taken by the Department for achieving the objectives of the Council should be institutionalized, so that these should not wither away with the change of persons at the helm of affairs.

The Committee further observed that besides curbing the marketing of spurious and substandard allopathic drugs, the Council should prescribe standards for Homeopathic and Unani medicines also and take effective measures to stop advertisements/publicity of such homeopathic/Unani medicines as may be injurious to health.

The Committee also observed that besides the Public Health Engineering Department and Local Bodies, the Health Department should also play its role in ensuring supply of pure drinking water to the citizens. The **para had already been settled** in the meeting of the Committee held on February 21, 2001.

Paras Conditionally Settled

(Civil Audit)

1. Para 11.4: Page 173; Irregular contingent expenditure of Rs.1,668,228/-

11-6-2001: Audit had pointed out that purchases of recurring and non-recurring items valuing Rs.1,668,228/- were made by the Department without sanction of the competent authority, which required regularization by the Finance Department.

The Department explained that the Finance Department had refused to regularize the expenditure and had advised taking of disciplinary action against the officers responsible for the irregularity.

The Committee directed that action should be taken against the concerned officer/officers under the Punjab Removal from Service (Special Powers) Ordinance, 2000, and finalized within the time limit prescribed therein. The para was kept pending.

16-8-2001: The Department explained that the action against Ex-District Health Officer and Accountant had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000 and the law would take its own course.

The Committee directed that final action taken in the matter should be reported to PAC. **The para was settled.**

2. Para 11.8: Page 176; Shortage of stock amounting to Rs.118,647/-

22-2-2001: The Department explained that in the Departmental inquiry, the following officers/officials had been held responsible for the shortage of stock:-

1. Dr Tahir Anis (Ex DHO)
2. Mr M. Afzal Malik (Ex-DHO)
3. Mr M. Iqbal (Cashier)
4. Haji M. Bashir (Cashier)

The case had been got registered in the Anti Corruption Establishment, and an FIR had also been lodged with the Police. Moreover, proceedings under E&D Rules were also in process.

The Committee directed that cases in the Police and the Anti Corruption Establishment should be pursued vigorously and proceedings under E&D rules be finalized expeditiously. The para was kept pending.

11-6-2001: The Department explained that the case was linked with the internal audit report for the years 1994-98, in which the proceedings under Efficiency & Discipline Rules were in process and the Additional Chief Secretary was the Inquiry Officer. Moreover, the Anti-corruption Establishment had so far recovered Rs.2,168,840/- from the accused persons and Anti-corruption proceedings were also in progress. The Department had also made a reference to Home Department (Anti-corruption Cell) for onward transmission of the case to National Accountability Bureau.

The Committee directed the Department to pursue the cases on a priority basis. The para was kept pending.

16-8-2001: The Department explained that as reported in the previous meeting of the Committee held on June 11, 2001, the case was under active consideration of the legal cell of the Anti-Corruption Establishment for trial in the court. Moreover, the Anti-Corruption Cell of Home Department had also moved a summary to the competent authority for making reference to National Accountability Bureau and the final out-come would be brought to the notice of PAC.

The Committee observed that action under the law had been initiated which would take its own course. Administrative Department should pursue the case and Finance Department should monitor the progress including write off, if necessary, as per its function provided in the Budget Manual. The Monitoring Wing of the Finance Department should send a periodical report to the Committee on the progress of all such cases. **With the above observation, the para was settled.**

3. Para 11.13: Page 178; Non-deduction of Income Tax Rs.86,304/-

22-2-2001: The Department explained that the Internal Audit of the Department had reported a misappropriation of Rs.30,000,000/- in the District Health Office, Kasur, including the amount of this para, and the following persons had been alleged to have committed this misappropriation:-

1. Dr Tariq Anis (Ex- DHO)
2. Dr Muhammad Afzal Malik (ex-DHO)
3. Mr Muhammad Iqbal (Cashier)
4. Haji Muhammad Bashir (Cashier)

The Department further explained that the case had been got registered with the Anti Corruption Establishment and certain persons were also arrested and statedly heavy recoveries were effected. The case for disciplinary proceedings was also being processed.

The Committee observed that action should also be taken by the competent authority against the District Accounts Officer who authorised the payment without deduction of income tax. The Committee directed that the recovery and criminal case be pursued vigorously and the disciplinary proceedings be finalized expeditiously.

The Department may also consider to refer the case to the National Accountability Bureau. The para was kept pending.

12-06-2001: The Department explained that the case was linked with the internal audit report for the year 1994-98 for which the proceedings were in process under E&D rules with the Additional Chief Secretary/Enquiry Officer. Out of the reported misappropriated amount of Rs.30,000,000/- in the DHQ Office Kasur, Rs.2,168,840/- had been recovered by the ACE. The Department further stated that a reference had also been made to the Anti-Corruption Cell of the

Home Department for onward transmission of the case to the NAB.

The Committee directed that the matter of non-deduction of the Income Tax should also be brought to the notice of the Income Tax Department for taking cognizance of the matter under the relevant law. A copy of the reference to the Income Tax Department may also be endorsed to the Secretary, *ad hoc* PAC. After the matter had been taken cognizance of by the Income Tax Department, the Committee would consider to settle the para. The Committee decided that this decision would apply to all paras relating to non-deduction of Income Tax.

16-8-2001: The Department explained that in compliance with the directive of PAC a reference for non-deduction of Income Tax had been made to the Income Tax Department on July 30, 2001 against 36 firms and 3 officers. Moreover, the matter was also under active consideration of ACE and Anti-Corruption Cell of Home Department.

The Committee observed that action under the law had been initiated and now it was for the Administrative Department to pursue the cases and for Finance Department to monitor the progress. With the above observations, **the para was settled.**

4. Para 11.14: Page 179; Non-deduction of Income tax from suppliers Rs.140,140/-

21-2-2001: The Department explained that the amount of Income Tax had since been recovered and deposited into government account. Further, registration of the case with the Anti-Corruption Establishment and disciplinary action against the concerned Accountant and Cashier were in process.

The Committee was not satisfied with the stated action and directed that the authorities concerned should consider to take action against all officers/officials responsible for non-deduction of Income Tax, including the Drawing and Disbursing Officer and the District Accounts Officer. The Committee directed that Director General Audit may bring to the notice of A.G. Punjab the lapse in this case on the part of the DAO concerned. The para was kept pending.

11-6-2001: This para was considered with reference to the minutes of the Committee's meeting held on 21 February, 2001.

The Department explained that an inquiry against the then DDO (Dr Jamil Tahir) had been ordered and he had filed a Civil suit and obtained a stay order. The Department further stated that the relevant record was not available, and the case for retrieval of relevant record was under trial in the Anti-corruption Court, Gujranwala.

Moreover, reference had been made to Home Department (Anti-corruption Cell) for onward transmission of the case to National Accountability Bureau.

The Director General Audit informed that as per direction of the Committee the lapse of District Accounts Officer had been brought to the notice of the Accountant General, Punjab for taking necessary action.

The Committee directed the Department that non-recovery of Income Tax pointed out in this para should also be brought to the notice of the Income Tax Department, for taking necessary action under the law. The Department was directed to pursue all the cases to bring them to their logical end. The Accountant General Punjab was also directed to report the action taken against the District Accounts Officer concerned. The para was kept pending.

16-8-2001: The Department explained that in compliance with the directive of PAC, the case had been referred to the Commissioner, Income Tax regarding non-deduction of Income Tax

against 5 firms and 2 officers. The Department further explained that the matter was also under active consideration of the ACE and Anticorruption Cell of Home Department and disciplinary proceedings were under process.

The Committee directed that Department should also make a detailed reference to Accountant General, Punjab for action against the District Accounts Officer responsible for non-deduction of Income Tax at source.

The Committee observed that action under the law had been initiated. The Administrative Department should pursue and Finance Department should monitor the case. With the above observations, **the para was settled.**

5. Para 11.25: Page 185; Likely loss of Rs.494,263/- due to non maintenance of stock account

22-2-2001: The Department explained that the amount of this para was included in the embezzlement case of Rs.30,000,000/- in District Health Office, Kasur, as explained in reply to Para 11.13 above. The para was kept pending.

12-6-2001: The Department explained that this case was linked with internal audit report for the year 1994-98 for which disciplinary proceedings were in process with Additional Chief Secretary/Enquiry Officer. The Anti-Corruption Establishment had recovered Rs.2,168,840/- out of Rs.30,000,000. The Department pointed out that reference had also been made to the Anti-Corruption Cell of the Home Department for onward transmission of the case to the NAB.

The Committee directed that the cases should be pursued and finalized expeditiously. (The Committee was informed that a copy of the internal audit report had been supplied to Audit). The para was kept pending.

16-8-2001: The Department explained that the case was under active consideration of the legal section of the Anti-Corruption Establishment for clearance to proceed for trial in the Court. The Department further explained that a summary had been moved to competent authority for appointment of new inquiry officer on transfer of Ex ACS to Federal Government.

The Committee directed that the Administrative Department should pursue the case and the Finance Department should monitor the action taken by the Department. **With the above observation, the para was settled.**

6. Para 11.30: Page 188; Loss of Rs.100,000/- due to non-auction of Maula Bakhsh Hospital cycle stand

13-6-2001: The Department explained that as a result of Departmental inquiry, it had been established that an amount of Rs. 39,000/- on account of auction money of cycle stand of Maula Bakhsh Hospital Sargodha and an amount of Rs.127,334/- on account of auction money of cycle stand of the D.H.Q. Hospital, Sargodha was outstanding against the contractors and the then M.S, DHQ Hospital, Sargodha, the then Head Clerk and Cashier of the said Hospital were responsible for non-recovery of the amounts. The Department further stated that cases of fraud had been got registered against the said contractors and the action for initiating disciplinary proceedings against the said officer/officials was in process.

The Committee directed that action for recovery of the government dues may be initiated besides the criminal case against the ex-contractor. Disciplinary proceedings against the officer/

officials at fault should be initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000 and finalized expeditiously before the next meeting. The para was kept pending.

16-8-2001: The Department explained that action on the directive of the Committee dated June 13, 2001 was in progress. The para was kept pending.

27-9-2001: The Department explained that action against the persons responsible for the irregularity had been initiated under the Punjab Removal From Service (Special Powers) Ordinance 2000 on 26 August 2000.

The Department further stated that the recovery of the government dues from the contractor was being pursued as arrears of land revenue and initiation of criminal proceedings against him at this belated stage might not be fruitful.

The Committee directed that the Administrative Department should finalize recovery/ action expeditiously and Finance Department should monitor the same. **With the above directions, the para was settled.**

7. Para 11.36: Page 191; Loss of Rs.51,585/- due to non-recovery of stipend

21-2-2001: The Department explained that as pointed out by Audit, efforts were being made to recover the amount of stipend from the students who had left the training incomplete, as arrears of land revenue through District Collector, Lahore. The para was kept pending.

13-6-2001: This para was considered with reference to the minutes of the Committee's meeting held on February 21, 2001.

The Committee decided that its observations and directions given on para 11.47 should also apply to this para. The para was accordingly kept pending.

16-8-2001: The Administrative Secretary assured the Committee that in all the cases recovery or write off would be finalized before the next meeting. The para was kept pending.

27-9-2001: The Committee directed the Administrative Department to finalize the recovery expeditiously and directed the Finance Department to monitor the same. **The para was settled.**

8. Para 11.40: Page 194; Loss of Rs.76,695/- Due to Excess Utilization of Residential Telephone

21-2-2001: The Department explained that the amount was recoverable from Dr M. Afzal Malik, D.H.O.(Retired). The case had been forwarded to Anti Corruption Establishment for criminal proceedings. Moreover, the payment of pension had been stopped and the pensioner had been served with a notice to deposit the amount.

The Committee directed the Department to pursue the case and strenuous efforts be made to recover the amount. The para was kept pending.

11-6-2001: This para was considered with reference to the minutes of the Committee's meeting held on 21 February, 2001.

The Department explained that the case was linked with internal audit report for the year 1993 to 1996 for which proceedings under Pension Rules as well as in Anti-corruption Establishment were in progress. The case was again discussed. The Committee observed that since this case apparently did not fall within the purview of the Anti-corruption Establishment, the amount should be recovered separately. The para was kept pending.

16-8-2001: The Administrative Secretary informed that the Department was considering to make a consolidated reference to NAB against Dr. Muhammad Afzal Malik, EX-DHO, etc. involved in this para and a number of other paras. The para was kept pending.

27-9-2001: The Department explained that the consolidated case had been sent to the NAB and the amount of this para had been indicated in the reference.

The Committee directed the Department to pursue the recovery and cases with NAB. With the above direction, the para was settled.

7-11-2001: **The para was settled** on September 27, 2001 with the direction that the Department to pursue recovery and cases with NAB. The Committee reiterated its earlier direction.

9. Para 11.42: Page 195; Loss of Rs.612,750/- on account of less collection of electricity charges form colony residents

13-6-2001: The Department explained that the residents of Punjab Medical College Colony were being provided electric supply from out of the bulk supply through sub-meters installed in the residents but due to theft of the electricity a flat rate had been fixed to be charged from them as an interim arrangement till installation of separate meters. The said residents filed a civil suit and the Senior Civil Judge, Faisalabad granted a stay order and announced the decision on February 28, 2001. The decision, *inter alia*, declared that there was no justification for the fixed charges and every consumer should be charged according to the quantity of electricity consumed; the Department should provide separate meters to the residents at their expense. The Department further stated that separate meters had since been installed after prolonged pursuance with WAPDA Authorities.

The Committee observed that the residents of the colony were free to get electric supply directly from WAPDA at domestic rates and as long as they were getting electricity supply through the bulk supply of the Punjab Medical College, Faisalabad, they should have paid at the rates the PMC was paying to WAPDA. The administration of PMC was neither bound nor competent to provide subsidized electricity to the residents of its colony. The Department was directed to take necessary action in the matter. The para was kept pending.

16-8-2001: The Department explained that 650 separate meters had since been got installed in the residences. So far as recovery of arrears was concerned, the Department explained that the Court had decided that fixed charges could not be recovered. However, the arrears which were recoverable on the electricity supply through meters would be recovered accordingly and the exact amount of recovery comes to Rs.612,750/-.

The Department further stated that notices of recovery as per decision of the court had been given to the residents on August 11, 2001.

The Committee directed that in case of litigation against the recovery, the court cases should be pursued and defended at the Secretariat level. The para was kept pending.

27-9-2001: The Department explained that the recovery order had been issued and the first installment of the recovery would be effected from October 1, 2001.

The para was settled with the direction that the recovery should be pursued by the Department till final settlement and monitored by the Finance Department.

10. Para 11.45: Page 197; Recovery of Rs.123,352/- on account of interest on House Building/Motor Car Advances

13-6-2001: The Department replied that Rs.101,671/- had been recovered and the balance (Rs.21,681/-) was recoverable from an officer who had since retired.

The Committee directed the Department to recover the balance amount and produce the relevant record as specified in audit comments, to Audit for verification.

The Committee also observed that the case pointed to an apparent failure in pre audit and directed that the Director General Audit should ascertain from the Accountant General, Punjab the circumstances under which the Accounts Officer concerned had not deducted the amount of interest from the officers involved in this para. The para was kept pending.

16-8-2001: The Administrative Secretary assured the Committee that the balance recovery would be affected by September, 2001. The para was kept pending.

27-9-2001: The Department explained that the recovery had been deposited in wrong head.

Audit suggested that the Finance Department may issue a note of error in Accounts in consultation with A.G. Punjab. **The para was settled.**

11. Para 11.47: Page 198; Recovery of Rs.438,056/- from female nursing trainees who left the training incomplete

12-6-2001: After discussion, the Committee directed the Department that each case should be decided on its own merits. The cases of those trainees who were expelled from the institution should be treated as settled. Those trainees who left the training incomplete on their own, should be required to refund the amount of stipend drawn by them. Those trainees who completed their training but did not serve for 3 years as per service bond, should be required to pay the bond money. The actual amount recoverable should be determined in the above manner, and efforts should be made to recover the same. The para was kept pending.

16-8-2001: The Administrative Secretary assured the Committee that in all the cases recovery or write off would be finalized before the next meeting. The para was kept pending.

27-9-2001: The Committee directed that necessary action in the matter should be finalized expeditiously. Finance Department was directed to monitor the same. **The para was settled.**

12. Para 11.49: Page 199; Recovery of Rs.121,326/- from female nursing trainees

12-6-2001: The Committee decided that its observations and directions given in para 11.47 should also apply to para 11.49. The para was, accordingly, kept pending.

16-8-2001: The Administrative Secretary assured the Committee that in all the cases recovery or write off would be finalized before the next meeting. The para was kept pending.

27-9-2001: The Department was directed to finalize the cases of recovery or write off expeditiously and Finance Department was directed to monitor the same. **The para was settled.**

13. Para 11.55: Page 202; Non-recovery of Electricity Charges Amounting to Rs.572,200/-

13-6-2001: The Department explained that the total amount of the para comes to Rs.481,000/-. An amount of Rs.49,970/- had been recovered and the remaining amount of Rs.431,030/- was being recovered from the salaries of the officials.

The Department was directed to recover the balance amount and get the recovery/record

verified by Audit. The para was kept pending.

16-8-2001: The Department explained that an amount of Rs.88,000/- had been recovered and deposited in the Government treasury and the balance recovery was in process which was due from 462 employees and deduction was being made from them @ Rs.200/- P.M.

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

27-9-2001: The Department explained that an amount of Rs.137,400/- had been recovered and got verified by Audit and efforts were being made to recover the balance amount from the pay of the officials concerned.

The Committee directed that the reduction in recoverable amount be got verified by Audit and the balance recovery be effected expeditiously. **The para was settled.**

14. Para 11.59: Page 205; Non-deposit of ambulance charges amounting to Rs.100,520/-

13-6-2001: Keeping in view Audit comments on the Departmental explanation, the Committee directed that the recovery of Rs.44,831/- should be got verified by Audit and the balance amount of Rs.55,689/- should be recovered. The para was kept pending.

17-8-2001: The Department explained that out of actual recoverable amount of Rs.97,780/-, a sum of Rs.59,258/- had already been recovered and the balance recovery was being pursued. The para was kept pending.

27-9-2001: The Department explained that the balance amount of Rs.26,700/- would be recovered from the family pension of the deceased official. Finance Department pointed out that DDO was responsible to ensure that receipts were deposited into government treasury.

The Committee directed the Department to re-examine the case in the light of observation of Finance Department. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

Audit pointed out that actual amount of the para was Rs.1,497,780/- instead of Rs.100,500/- due to difference of rate. Recovery of Rs.71,483/- had already been verified by Audit.

As to the remaining amount of Rs.26,700/- the Department stated that the same will be recovered from the family pension of Mr Taj Muhammad deceased.

The Department was directed to effect recovery of Rs.26,700/- under intimation to PAC through Audit. **The para was settled with the direction that the Department should pursue the recovery and Finance Department to monitor the same.**

15. Para 11.62: Page 208; Likely misappropriation of Rs.150,942/- due to non accountal of materials in stock registers

13-6-2001: The Department explained that complete record was available for verification, but as a huge volume of record of more than 60 BHUs/RHCs was involved, therefore, it would be expedient if Audit verification was done at Rawalpindi instead of bringing the record to Lahore.

The Committee directed Audit to send its representative on the request of the Department to the district concerned for verification of the record. The Committee also directed the Department to provide complete record to Audit without delay. The para was kept pending.

17-8-2001: After verification of record, Audit reported that stock entries of articles worth Rs.73,979/- were not available or had been made afterwards.

The Administrative Secretary assured the Committee that action would be taken against the officers/officials responsible for the irregularities, and also against their supervisors. The para was kept pending.

27-9-2001: The Department stated that the implementation of the Committee's direction dated August 17, 2001, was in process.

The Department was directed to finalize action/recovery expeditiously. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that action against the defaulters and recovery of the balance amount of Rs.73,979/- was in progress.

Audit recommended that the Department be directed to recover the balance amount of Rs.44,311/- and get the same verified by Audit. Photo copies of letters of warnings issued to the defaulters may also be produced to Audit for verification.

The Committee directed the Department to take action as recommended by Audit. **The para was settled subject to verification by Audit.**

16. Para 11.70(14): Page 215; Misappropriation of Rs. 114,052/- on account of Purchee Fee, Ambulance Charges, Lease Money.

12-6-2001: Audit reported that after verification of record the amount of para was reduced from Rs.114,052/- to Rs.98,606/-. The Department explained that an amount of Rs.39,332/- had been recovered and disciplinary proceedings were under process against the concerned officials for the recovery of balance amount of Rs.59,264/-.

The Committee directed that deposit of Rs.39,248/- should be got verified by Audit and the balance recovery and the disciplinary proceedings may be expedited. The item was kept pending.

17-8-2001: The Department explained that out of total recoverable amount of Rs.98,606/- an amount of Rs.44,332/- had been recovered. The Department further explained that the balance recovery and action against the persons responsible for irregularities was in process. The para was kept pending.

27-9-2001: The Department explained that recovery of the balance amount had been made. The para was settled subject to verification by Audit.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Committee directed the Department to reconcile the position of recovery with Audit by producing the relevant record to it. **The para has already been settled on September 27, 2001 subject to verification by Audit.**

Paras Pended

(Civil Audit)

1. Para 11.17: Page 180; Fraudulent drawl of pay and allowances amounting to Rs.161,274/- payment on account of irregular appointment

21-2-2001: Audit had pointed out that arrears of salary for 2/3 years in respect of 3 officials had been drawn illegally, through back-dated appointment orders.

The Department explained that inquiry was conducted and it was revealed that the said appointments had been made by the D.H.O Dr Muhamad Jamil Tahir (since retired) without observing the procedure prescribed in the Punjab Civil Servants (Appointment & Conditions of Service) Rules, 1974. The Department further explained that cases had also been got registered with the Anti-Corruption Establishment for bogus appointments and for removal of record. It was also stated that the illegally drawn amount had been got deposited by the Anti-Corruption Establishment from the concerned 3 officials as case money. It was further stated that case had also been initiated for taking disciplinary action.

The Committee directed that the case in the Anti-Corruption Establishment may be vigorously pursued for its early decision and Departmental action (under the E & D Rules) may also be finalized expeditiously. The para was kept pending.

11-6-2001: The para was considered with reference to the minutes of the Committee's meeting held on 21 February, 2001. The Department explained that in addition to the actions/cases already initiated as reported in the previous meeting, a reference had also been made to Home Department (Anti-corruption Cell) for onward transmission of the case to National Accountability Bureau.

The Committee directed the Department to examine whether the action could be taken under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the then appointing authority and the appointees who had been appointed illegally.

The Committee further observed that the case also revealed a failure of the pre-audit system and action should be taken by the authority concerned against the District Accounts Officers concerned. The para was kept pending.

16-8-2001: The Committee directed that Administrative Secretary should submit a comprehensive report to the Committee about the action taken so far on this para. The para was kept pending.

27-9-2001: The Department explained that the amount in question had already been deposited with Anti Corruption Court Special Judge and the case was still under trial. The Committee directed the Department to pursue the case and proceed against the officers responsible in this case. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The para was pended with the direction that the Department shall continue pursuing the case pending trial in the Court of Special Judge Anti-Corruption, and take consequential action

under intimation to PAC through Audit.

2. Para 11.18: Page 181; Irregular payment of house rent allowance to doctors (MO's) and staff of RHC's BHU's Recovery of Rs.197,291/-

12-6-2001: The Department explained that an amount of Rs.75,670/- was recoverable from 20 persons who resided in government accommodation and the balance amount of Rs.122,621/- was not recoverable from the 32 persons who did not reside in government accommodation. The persons against whom recovery was due had been directed to deposit the same failing which they would be proceeded against under the Rules.

The Committee directed that the recoveries may be effected and the record specified in Audit comments in the Working Papers should be presented to Audit for verification. The Committee also suggested that the Department might consider carrying out a province-wise scrutiny to see that such irregular payment of House Rent allowance was not being made elsewhere also. The para was kept pending.

16-8-2001: The Department explained that an amount of Rs.75,670/- had been recovered from the seven Officers/officials. The Department further explained that the balance recovery was unjustified as no residences were provided to the officials.

The para was settled subject to verification of the amount recovered and contention of the Department as to the balance amount.

27-9-2001: The Committee observed that the Department had failed to get the recovery verified and to show record to Audit to prove that the remaining amount was not recoverable.

The Department was directed to produce to Audit complete record pertaining to the concerned residences, their dates of completion and handing over to the Department and allotment orders. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The para was pended for compliance of PAC directive dated September 27, 2001 whereby the Department was required to produce complete record to Audit pertaining to the concerned residences, their dates of completion and handing over to the Department, and allotment orders.

3. Para 11.26: Page 186; Loss of Rs.352,274/- due to pilferage of medicines misc store and stationery items

12-6-2001: The Department reported that the record of the stock worth Rs.268,314/- had been produced, while the record for the remaining stock worth Rs.83,960/- was still awaited. Audit further reported that the perusal of the record produced by the Department showed that stock worth Rs.193,747/- had been verified, while the remaining record was doubtful, constructed afterwards or tampered.

The Department explained that an Enquiry Committee was constituted under the Chairmanship of the DHS Rawalpindi to probe into the matter and fix responsibility. The Enquiry Committee had reported that the record had not been brought before it for investigation and report.

The Committee directed the Department to comply with Audit observations given in

Audit Comments in the Working Paper. The Committee further directed that action should be taken against the officers who had not produced the record to the Enquiry Committee. The para was kept pending.

16-8-2001: After verification of record, as per direction of the Committee dated June 12, 2001, Audit reported that stock entries of articles worth Rs.193,747/- had been verified. Further recoveries of Rs.79,567/-, Rs.58,545/- and Rs.16,022/- had also been verified. Moreover, stock entries of articles worth Rs.83,960/- had since been verified. Audit commented that the remaining amount of Rs.64,688/- appeared to have been mis-appropriated. The Committee observed that this pointed to a failure of the supervisory officers in carrying out the prescribed periodic inspection of stock/stores.

The Committee directed Audit to give its comments on the report of the inquiry held by the Department and also to provide list of articles to which the balance amount of Rs.64,688/- related, and about missing entries and tampering. The Department should initiate appropriate action against the stock holders concerned and their supervisors. The para was kept pending.

27-9-2001: The Department explained that the list of articles to which the balance amount of Rs.64,688/- pertained had been provided by Audit to the Department and the Department would make the recovery and proceed against the concerned officials.

The Committee directed the Department to finalize recovery and action expeditiously. The Committee also directed the Department to supply copy of enquiry report to Audit for their comments. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

Audit pointed out that out of total recoverable amount of Rs.352,274/- stock entries for Rs.213,019/- and deposit of Rs.74,567/- had already been verified. Out of remaining recovery of Rs.64,689 a sum of Rs.23,765/- had also been verified. However, balance recovery of Rs.40,923/- was still outstanding.

The Committee directed the Department to:-

- (i) recover the balance amount of Rs.40,923/- from the persons at fault and get it verified by Audit.
- (ii) produce photo copies of letters to Audit under which warnings had been issued to the concerned defaulters. **The para was kept pending.**

4. Para 11.32: Page 189; Loss of Rs.1,281,905/- on account of shortage of instruments

13-6-2001: The Department explained that in the Departmental inquiry it had been established that most of the items reported short were of consumable nature, many of the items had completed their life but had not been condemned/auctioned, prima facie, the Nursing Staff and Operation Theatre Attendants were responsible for the shortage, and Audit had over-stated the value of the articles without reference to their actual book value.

The Department further stated that another inquiry had been ordered to arrive at some definite conclusion, which would be completed within a month.

The Committee directed that the inquiry should be finalized expeditiously and necessary action should be taken before the next meeting. The para was kept pending.

16-8-2001: The Department explained that a fresh inquiry was held and actual cost of the shortage had been established as Rs.324,270/- instead of Rs.1,281,905/-.

The Committee directed the Department to examine the inquiry report and take appropriate decision about the value of the shortage and the persons responsible for the same and take action accordingly. The para was kept pending.

27-9-2001: The Department explained that the notices of recovery had been issued to all the officer/officials concerned.

The Committee directed the Department to finalize recovery/action expeditiously. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

Audit pointed out that recovery of Rs.51,525/- had been effected and verified but credit verification by DAO Faisalabad was not produced. Further, the Department had not justified the reduction in the amount of the draft para from Rs.1,281,905/- to Rs.324,270/-.

The Department was directed to:-

- (i) get the reduction of the amount of the para verified by Audit; and
- (ii) produce credit verification of Rs.51,525/- from District Accounts Officer

Faisalabad. **The para was kept pending.**

5. Para 11.33: Page 189; Loss of Rs.183,375/- due to Non-recovery of lease Money

13-6-2001: Audit referred to the inquiry report dated December 18, 2000 submitted by DHS, Faisalabad and letter dated December 16, 2000, from M.S. Allied Hospital to the Under Secretary S&GAD and reported that the ex-contractor of cycle stand (Mr Altaf Khan) was declared as defaulter in 1993-94 as he had failed to deposit the contract money of Rs.262,532/-. The civil suit filed by him was also decided against him. But the Department had again awarded him another contract for a further period i.e. 1994-95 to 2/96. Resultantly, total amount now recoverable from the said contractor stood at Rs.991,538/-.

The Department stated the case of recovery is with the District Collector since 2/96 and the contractor had filed a case for insolvency in the court since 2/98. The Department further stated that action would be taken against the persons responsible for not recovering the government dues at proper time.

The Committee directed that the recovery of government dues should be pursued vigorously, and action against the officers responsible for not recovering the government dues at the proper time should be taken under the Punjab Removal from Service (Special Powers) Ordinance 2000. The para was kept pending.

16-8-2001: It was noticed that the Department had made no progress on the implementation of the directive of the Committee dated June 13, 2001. The para was kept pending.

27-9-2001: The Department explained that recovery of government dues from the contractor was being pursued as arrears of land revenue. Moreover, proceedings had also been initiated against the concerned officers under the Punjab Removal From Service (Special Powers) Ordinance 2000.

The Committee directed the Department to finalize action and recovery expeditiously and

directed the Finance Department to monitor the same. **The para was kept pending.**

6. Para 11.35: Page 191; Loss of Rs.307,006/- on account of irregular payment of house rent allowance

13-6-2001: The Department explained that in the Departmental inquiry it had been established that the actual amount of this para came to Rs.140,074/- instead of Rs.307,006/-, because an amount of Rs.166,932/- related to officials in grade 1 to 3 from whom house rent was not recoverable. An amount of Rs.23,500/- had been recovered and the recovery of the balance amount (Rs.116,574/-) was in process.

The Committee directed that the amounts to be recovered should be rechecked and got verified by Audit, the recoveries already made should be verified by Audit, and as the officials' locations and amounts were specified in the original para, the recoveries from them should be started without any further delay. The para was kept pending.

16-8-2001: After consideration of Departmental reply and Audit comments thereon, the Committee directed that the actual recoverable amount should be got verified by Audit and recovery be made accordingly. The para was kept pending.

27-9-2001: The Committee directed the Department to implement its previous decision dated August 16, 2001. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

Audit pointed out that the Department could not justify the reduction of amount from Rs.307,006/- to Rs.140,074. Recovery of an amount of Rs.16,052 plus 15,800/- had already been verified by Audit. Further recovery of Rs.21,420/- had also been verified by Audit. Recovery of Rs.8,006/- had been made from the concerned individuals but its credit verification was not produced to Audit. Therefore balance recovery of Rs.78,796/- was still outstanding.

The Department was directed to:-

- (i) satisfy Audit with record about its contention regarding reduction of recoverable amount from Rs.307,006/- to Rs.140,074/-; and
- (ii) recover the balance amount of Rs.78,796/- and get the same verified by Audit. **The para was kept pending.**

7. Para 11.44: Page 197; Recovery of Rs.187,335/- on account of unauthorized payment of stipend to failed students

13-6-2001: The Committee decided that the observations/directions made by it with regard to para 11.47 would also apply to para 11.44. The para was accordingly kept pending.

16-8-2001: The Administrative Secretary assured the Committee that in all the cases recovery or write off would be finalized before the next meeting. The para was kept pending.

27-9-2001: The Finance Department stated that the failed students were not entitled to the stipend, therefore, D.D.O. was responsible for the un-authorized payment.

The Committee directed the Department to recover the amount from and take action against DDO under the Punjab Removal From Service (Special Powers) Ordinance 2000. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated

September 27, 2001.

The Department was directed to comply with the directive of PAC dated September 27, 2001 and intimate to the Committee in its next meeting through Audit. **The para was kept pending.**

8. Para 11.52: Page 201; Non-recovery of stipends amounting to Rs.192,600/- from disqualified female nursing students

21-2-2001: The Department explained that action was being taken for recovery of amount from the ex-students, and for fixing responsibility on the officials for conniving with the students.

The Committee directed the Department to effect the recovery of the stipend illegally drawn. The para was kept pending.

13-6-2001: The para was considered in light of previous minutes of the meeting dated 21 February, 2001.

The Department explained that action was being taken for recovery and criminal cases were also registered against two officials Mr Akhtar Baig, Senior Clerk, and Ansar Baig Student clerk, who had connived with the students.

The Committee directed the Department to pursue recovery and finalize action expeditiously. The para was kept pending.

16-8-2001: The Department explained that the recovery and disciplinary action as per directive of the Committee dated June 13, 2001 was in progress. The para was kept pending.

27-9-2001: The Department stated that as a result of disciplinary proceedings two officials had been awarded major penalty of reduction in time scale and recovery of Rs.96,000/- from each. Their appeal was pending decision.

The Committee directed the Department to provide complete facts of the case. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that the recovery involved in this para was being pursued. Action against the defaulters was also being taken.

The Department was directed to complete the action against the defaulters and effect recovery expeditiously under intimation to PAC through Audit. **The para was kept pending.**

9. Para 11.56: Page 203; Recovery Rs.47,699/- on account of non-accountal of POL, Diesel and Mobil Oil

12-6-2001: The Department explained that as a result of Departmental inquiry, the officers/officials who drew the POL, were served with notices to deposit the amounts, but they had not done so. The Department stated that the said officers/officials would be proceeded against under the Punjab Removal from Service (Special Power) Ordinance, 2000.

The Committee directed that the action should be finalized within 30 days. The para was kept pending.

16-8-2001: The Department explained that explanations of the DHO and Accountant had been called for before initiating action under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that the action should be finalized within 30 days. The para was

kept pending.

27-9-2001: The Department explained that initiation of action against the officers/official concerned under the Punjab Removal From Service (Special Powers) Ordinance 2000, had been approved and charge-sheet was being submitted to the Chief Secretary being the competent authority in this case.

The Department was directed to finalize action expeditiously. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2001 was in process.

The Committee directed the Department to complete the action expeditiously and intimate the PAC through Audit. **The para was kept pending.**

10. Para 11.58: Page 204; Non-production of record likely misappropriation of Rs.1,037,852/-

13-6-2001: The Department explained that on his transfer, Mr Asghar Ali, Storekeeper took away the Stock Register and thus it could not be shown to Audit. He also filed a writ in the Lahore High Court, Multan Bench and on July 2, 1996 the High Court ordered that final action in the Departmental proceedings against the official shall not be taken in the meanwhile. His appeal was dismissed on April 14, 1999. His case was referred to the Anti-Corruption Establishment, Multan on July 24, 1999. In Departmental proceedings, he was dismissed from service with effect from August 4, 2000. The A C E was investigating the case in consultation with Audit, and he had been held guilty of misappropriation of Rs.155,384/87, which he had admitted the same during interrogation. The case was still under trial with Special Judge, Anti-corruption, Multan.

The Department was directed to pursue the case vigorously. The para was kept pending.

17-8-2001: The Department explained that the accused official responsible for the misappropriation who had been dismissed from service in disciplinary proceedings, was still under trial in the Anti-Corruption Court and the next date of hearing was September 1, 2001.

The Committee directed that the Department should pursue the case vigorously. The para was kept pending.

27-9-2001: The Department explained that the case was still pending with Anti-Corruption Establishment. Audit office had submitted its report to the ACE. The Department was directed to pursue the case for early finalization and decision. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that action against the persons at fault was in progress.

The Committee directed the Department to:-

- (i) pursue the case with ACE for early finalization; and
- (ii) intimate to the Committee through Audit about the action taken by the

Department to effect recovery. **The para was kept pending.**

11. Para 11.61(3): Page 207; Non Deposit of Ambulance Charges amounting to Rs.63,805/- (THQ Hospital, Mailsi)

22-2-2001: The Department explained that the services of Mr Safdar Hussain, ex Junior Clerk, THQ Hospital Mailsi had been terminated w.e.f. June 2, 1999. It was further stated that the clerk had taken all the record with him. The case had been registered against him in Anti-corruption Establishment for recovery of record and government money taken away by him. Mr Safdar Hussain, ex-Junior Clerk had absconded and was not joining the inquiry.

The Committee directed that the Department should consider taking suitable action against the concerned DDO. The Anti-corruption case be pursued vigorously. The item was kept pending.

12-6-2001: The para was considered in the light of the previous PAC's minutes dated 22 February, 2001.

The Department explained that the recovery related to the period of 3 DDOs, of whom one had died, one had retired and one was in service. The Committee directed that the officer in service should be proceeded against under the Punjab Removal from Service (Special Powers) Ordinance, 2000, the action against the retired officer should be taken under Rule 1.8 of the Pension Rules and the matter of recovery or write off of the amount held due from deceased officer should be decided on merits of the case. The item was kept pending.

17-8-2001: The Department informed that the services of Mr. Safdar Hussain Jr Clerk were terminated on June 2, 1995 and a case had also been registered in Anti-Corruption Established for recovery of record and Government money taken away by the said official. Action had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000 against Dr Asad ud Din & Dr Nisar Dilshad Ex MSs. The para was kept pending.

27-9-2001: The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 against the concerned persons was in process and the amount of recovery was part of the charge-sheet.

The Department was directed to finalize the disciplinary proceedings expeditiously and pursue the Anti-Corruption case. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that action against the defaulters under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in progress.

The Committee directed the Department to complete the action expeditiously and intimate to the PAC through Audit. **The para was kept pending.**

12. Para 11.63: Page 208; Likely Misappropriation of Stock Articles Worth Rs.78,312/-

12-6-2001: The Department explained that the stock entries of the articles were available in the stock register and these articles were purchased for the Green Villa Rest House Murree. However, the Department had moved the Finance Department for regularization of the same. The para was settled subject to regularization by the Finance Department.

17-8-2001: The Department explained that the decision of the Finance Department about regularization of the purchase, was still awaited.

The Committee had already settled the para subject to regularization by Finance Department.

27-9-2001: The Department stated that the Finance Department had refused to regularize the

expenditure and had advised to take disciplinary action against the persons responsible for the irregular expenditure and the disciplinary proceedings were in process.

The Committee directed the Department to complete the requisite action expeditiously. If however, the Department had certain reservation, it was free to again take up the matter with Finance Department. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that sanction for regularization of the expenditure had been accorded by the Finance Department.

The Department was directed to produce the sanction for regularization to Audit for verification. **The para was kept pending.**

13. Para 11.66: Page 210; Misappropriation of government money amounting to Rs.34,250/-

12-6-2001: The Department explained that the amount in question was recoverable from the then Head Clerk, who had since retired. The Department stated that the Deputy Commissioner, Okara had been requested to effect the recovery as arrears of land revenue, the Director, Accounts had also been requested to take necessary action against the defaulter and action under the Pension Rules against the defaulter was also in process.

The Committee directed that the recovery/action should be finalised expeditiously. The para was kept pending.

17-8-2001: The Department explained that the recovery as arrears of land revenue was being pursued with DC Okara. Moreover, DHS Lahore had been asked to initiate proceeding under the Pension Rules for recovery from the retired official. The para was kept pending.

27-9-2001: The Department explained that recovery from the Head Clerk/Accountant was being pursued as arrears of land revenue. The pensionary benefits of D.D.O. had been withheld, till finalization of case against him.

The Department was directed to finalize action/recovery expeditiously. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that the process of taking action against the defaulters and effecting recovery was underway.

The Committee directed the Department to finalize action/recovery expeditiously under intimation to PAC through Audit. **The para was kept pending.**

14. Para 11.67: Page 211; Misappropriation of Rs.85,550/- repair of dental unit

22-2-2001: The Department explained that as a result of Internal Audit total embezzlement of Rs.3,600,000/- including the amount of this Para had been detected in District Health Office, Gujranwala, and the following officers/officials are allegedly involved in the said misappropriation:-

1. Dr Muhammad Jamil Tahir (EX-DHO)
2. Dr Samee Ullah Sheikh (Ex-DHO)
3. Mr Abdul Rauf Roofi (CDC officer)
4. Mr Aurangzeb (JC)
5. Mr Muhammad Hanif (S/K)

6. Mr Bashir Ahmed (Sr.Clerk)
7. Mr Muhammad Sarfraz (Acctt)
8. Mr Muhammad Mehdi (Head Clerk)
9. Mr Shakoor Ali (Sr Clerk)

The Department explained that case for initiating disciplinary proceedings was in process. Moreover, Anti-corruption Establishment has also been moved to register case against Mr Sarfraz (Ex-Accountant) for taking away the relevant record.

The Committee took serious notice of the said irregularities and misappropriation and directed the Department to take necessary legal and Departmental action in the matter against the accused persons. The Committee also advised that the Department may consider to refer the cases to the National Accountability Bureau. The para was kept pending.

12-6-2001: The Department explained that as per directions of the Committee dated February 22, 2001, the Department had initiated disciplinary action against the responsible persons and reference had also been made to the Anti-Corruption Cell of the Home Department for onward transmission of the case to the NAB.

The Committee directed that the cases should be pursued and finalized expeditiously. The para was kept pending.

17-8-2001: The Department explained that the matter was under trial in the Court of Special Judge Anti-Corruption Gujranwala and the next date of hearing had been fixed for August 27, 2001. Moreover, the Anti-Corruption Cell of the Home Department had also been reminded for expeditious action for referring the case to NAB.

Administrative Secretary assured the Committee that a consolidated case of reported misappropriation in the office of DHO, Gujranwala would be referred to NAB. The para was kept pending.

27-9-2001: The Committee observed that the Department had failed to consolidate and send all such cases to the NAB as directed by it on August 27, 2001. The Committee directed the Department to consolidate all such cases and send them to NAB. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that the process of taking action against the defaulters and effecting recovery was underway.

The Committee directed the Department to finalize action/recovery expeditiously under intimation to PAC through Audit. **The para was kept pending.**

15. Para 11.68: Page 212; Misappropriation of government money Rs.556,965/-

22-2-2001: The Department explained that the amount of this para was included in the embezzlement case of Rs.3,600,000/- relating to District Health Office, Gujranwala, which had been explained in reply to Para 11.67 above. The para was accordingly kept pending.

12-6-2001: The Department explained that the inquiry against the then DDO, Dr Jamil Tahir was in process, but he had filed a civil suit and obtained a stay order. The case for retrieval of record was under consideration in the Anti-Corruption Court. A reference had also been made to the Anti-Corruption Cell of the Home Department for onward transmission of the case to the NAB.

The Committee directed that the cases should be pursued and finalized expeditiously. The para was kept pending.

17-8-2001: The Department explained that the case was under trial in the Court of Special Judge Anti-Corruption Gujranwala and next date of hearing was August 27, 2001. Moreover, the Anti-Corruption Cell of Home Department had also been reminded for expeditious action for making a reference to NAB.

The Administrative Secretary assured the Committee that a consolidated case of reported misappropriation in the office of DHO, Gujranwala would be referred to NAB. The para was kept pending.

27-9-2001: The Committee observed that the Department had failed to consolidate and send all such cases to the NAB as directed by it on August 27, 2001. The Committee directed the Department to consolidate all such cases and send them to NAB. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that the process of taking action against the defaulters and effecting recovery was underway.

The Committee directed the Department to finalize action/recovery expeditiously under intimation to PAC through Audit. **The para was kept pending.**

16. Para 11.69: Page 212; Misappropriation of Rs.162,125

12-6-2001: The Department explained that Audit observations made in the para were correct and the Department was taking action against the culprits.

The Committee directed that the action under the law/rule should be finalized expeditiously. The Department should also consider initiating suitable disciplinary action against the Enquiry Officer who had overlooked the factual position and reported false information in his report. The para was kept pending.

17-8-2001: The Department explained that in accordance with the instruction of S&GAD, explanation of Dr Fayyaz Ahmad Ranjha Ex DHO and Mr Mansoor Accountant had been called for. Proceedings against them under the Punjab Removal from Service (Special Powers) Ordinance 2000 had also been initiated.

The Committee directed that the Department should finalize the proceedings expeditiously. The para was kept pending.

27-9-2001: The Department explained that disciplinary action against the concerned officers under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was in process.

The Committee directed that the action should be finalized expeditiously. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that the process of taking action against the defaulters and effecting recovery was underway.

The Committee directed the Department to finalize action/recovery expeditiously under intimation to PAC through Audit. **The para was kept pending.**

17. Para 11.70(4): Page 213; Misappropriation of Receipts Rs.31,657/- (DHO, Kasur)

22-2-2001: The Department explained that the amount of this item was included in the misappropriation case of Rs.30,000,000/- in the office of District Health Office, Kasur as explained in reply to Para 11.13. The item was accordingly kept pending.

12-6-2001: The Department explained that the case was linked with internal audit report for the year 1994-98 for which disciplinary proceedings under E&D rules were in process with Additional Chief Secretary/Enquiry Officer. The Anti-Corruption Establishment had recovered Rs.2,168,840/- and the case was still under trial. The Department stated that a reference has also been made to the Anti-Corruption Cell of the Home Department for onward transmission of the case to the NAB.

The Committee directed that the cases should be pursued/finalized expeditiously. The item was kept pending.

17-8-2001: The Department explained that the Anti-Corruption case was being pursued and Home Department had been reminded to refer the case to NAB.

The Committee directed that the case should be pursued and finalized expeditiously. The para was kept pending.

27-9-2001: The Department explained that disciplinary action against the concerned officers under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was in process.

The Committee directed that the action should be finalized expeditiously. **With the above direction, the para was kept pending.**

18. Para 11.70(15): Page 215; Misappropriation of Rs.77,966/- on account of Purchee Fee (DHO, Gujranwala)

22-2-2001: The Department explained that the amount of this item was included in the misappropriation case of Rs.3,600,000/- relating to DHO Gujranawala as explained in reply to Para 11.67 above. The item was accordingly kept pending.

12-6-2001: The Department explained that the inquiry against Dr Jamil Tahir, the then D.D. O. had been ordered and he had filed a civil suit and got a stay order. The Department stated that the relevant record was not available and case was under consideration in Anti-Corruption Court for retrieval of record. The Department further stated that a reference had also been made to Home Department (Anti-Corruption Cell) for onward transmission of the case to the NAB.

The Committee directed that all the cases should be pursued and finalized expeditiously. The item was kept pending.

17-8-2001: The Department explained that the matter was under trial in the Court of Special Judge Anti-Corruption Gujranwala and the next date of hearing was August 27, 2001. Moreover, the Anti-Corruption Cell of Home Department was also reminded for expeditious action for referring the case to NAB. The para was kept pending.

27-9-2001: The Committee observed that the Department had failed to consolidate and send all such cases to the NAB as directed by it on August 27, 2001. The Committee directed the Department to consolidate all such cases and send them to NAB. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated

September 27, 2001.

The Committee observed that the Department had failed to consolidate and send all such cases to NAB as directed by the PAC on September 27, 2001. The Committee again directed the Department to consolidate all such cases and send them to NAB under intimation to PAC through Audit. **The para was kept pending.**

19. Para 11.73: Page 217; Irregular expenditure on printing work Rs.683,900/-

13-6-2001: The Department explained that the expenditure was incurred after advertisement in the press and obtaining sanctions from DHS, Sargodha, but the only irregularity was that the rate contract had not been concluded by the DHS. Therefore, the case had been referred to the Finance Department for regularization.

The Committee directed that in case the Finance Department refused to accord sanction to the regularization of this expenditure, disciplinary action should be initiated against the DDOs as well as against the District Accounts Officer concerned by the authorities concerned. The para was kept pending.

17-8-2001: The Department explained that the Finance Department had refused to regularize the expenditure. Thus the Department would initiate disciplinary action against the DDO, and AG. Punjab would be requested to take action against the DAO concerned. The para was kept pending.

27-9-2001: The Department stated in the meeting that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the DHO concerned was in process.

The Committee directed the Department to finalize action expeditiously and to follow up the case with the Accountant General, Punjab for action against the DAO. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The process of taking action against the defaulters and effecting recovery was underway.

The Department was directed to finalize action/recovery expeditiously under intimation to PAC through Audit. **The para was kept pending.**

20. Para 11.75: Page 218 Mis-use/irregular expenditure on repair and purchase of POL amounting to Rs.99,128/-.

12-6-2001: The Department explained that the then Minister for Health (Rana Ikram Rabani) and Dr Saboor, Additional Secretary (Development), used the vehicles for supervision of a project and for other official duty in addition to the vehicles provided to them by the S&GAD.

The Committee directed that the Department should hold an inquiry to ascertain the facts of the case and to determine the entitlement and justification for the use of the vehicles by the then Minister and Additional Secretary and action should be taken in the light of established facts and relevant rules. The para was kept pending.

17-8-2001: The Administrative Secretary informed the Committee that an inquiry was held and Audit observations had been confirmed. The then Minister for Health and Additional Secretary had been asked to furnish their viewpoint vide letter dated August 9, 2001 within seven days to proceed further in the matter. The para was kept pending.

27-9-2001: The Department stated that the concerned officer/S&GAD had not forwarded their view point and reply was awaited. The Committee directed the Department to report final outcome expeditiously. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that the process of taking action against the defaulters and effecting recovery was underway.

The Committee directed the Department to finalize action/recovery expeditiously under intimation to PAC through Audit. **The para was kept pending.**

21. Para 11.76: Page 219; Irregular expenditure of Rs.4,009,466/- on purchase of medicines

13-6-2001: The Department explained that all the medicines purchased had been taken in the stock register and consumed in the hospital during the year and there was no financial loss to government, but procedural irregularities had been committed i.e. tenders had not been floated in the newspapers, samples of medicines had not been got tested from the DTL, there were no inspection notes, and the expenditure had been split to avoid sanction of the competent higher authority. The Department further stated that the matter was referred to Finance Department for regularization but the Finance Department had advised taking disciplinary action against the officers concerned.

The Committee directed the Department that action against the officers responsible for the irregularities should be taken expeditiously. The para was kept pending.

17-8-2001: The Department explained that action against the officers/officials involved in the irregularities under the Punjab Removal from Service (Special Powers) Ordinance 2000 was under process. The para was kept pending.

27-9-2001: The Department explained that action had been initiated against the officer/official concerned under the Punjab Removal From Service (Special Powers) Ordinance 2000.

The Department was directed to finalize action expeditiously. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that the process of taking action against the defaulters and effecting recovery was underway.

The Committee directed the Department to finalize action/recovery expeditiously under intimation to PAC through Audit. **The para was kept pending.**

22. Para 11.77: Page 220 Unauthorized expenditure of Rs.59,908/- on account of local purchase

13-6-2001: Audit reported unauthorized expenditure of Rs.59,908/- on account of local purchase in THQ Hospital Jaranwala during 1995-96.

The Department explained that out of total allocation of Rs.80,000/- at the disposal of M. S. Tehsil Headquarter Hospital, Jaranwala for the purchase of medicines, he purchased medicines

worth Rs.52,682/- by calling quotations through Purchase Committee, and incurred Rs.27,245/- on purchase of medicines on day to day basis, while he was authorised to expend only 15% of the budget allocation for purchase of medicines on day to day basis.

Audit, however, commented that the purchase Committee referred to by the Department was not properly constituted.

The Committee directed that the expenditure should be got regularized by the competent authority and disciplinary action should be taken against the officers responsible for the financial irregularities. The para was kept pending.

17-8-2001: The Department explained that the case for regularization of expenditure had been referred to the Finance Department. The para was kept pending.

27-9-2001: The Department stated that the Finance Department had refused to regularize the expenditure and had advised to take disciplinary action against the persons responsible for the irregular expenditure and the disciplinary proceedings were in process.

The Committee directed to complete the requisite action expeditiously. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that sanction for regularization of the expenditure had been accorded by the Finance Department.

The Department was directed to produce the sanction for regularization to Audit for verification. **The para was kept pending.**

23. Para 11.78: Page 220; Irregular Expenditure on Purchase of Stores Items for Rs.165,750/-

22-2-2001: The Department explained that it was a case of mis-classification of the expenditure debitable to object-classification 598 instead of 599. Audit pointed out that the expenditure needed regularisation under the correct object-classification.

The para was settled subject to the requisite regularisation of expenditure and action against the D.D.O. as well as against District Accounts Officer who allowed the payment out of code-599 against sanctions in code-598.

13-6-2001: The Committee re-iterated its previous decision given in its meeting held on February 22, 2001 regarding regularization of the irregular expenditure by the Finance Department and taking of disciplinary action against DDO as well as DAO by the competent authorities. The para was kept pending.

17-8-2001: The Department explained that the Finance Department had refused to regularize the expenditure. The Department would now initiate disciplinary action against the DDO and AG Punjab would be requested to take action the DAO concerned. The para was kept pending.

27-9-2001: The Department explained that the case was being considered for disciplinary action against the officers concerned and Accountant General Punjab had also been requested to take action against the DAO.

The Department was directed to finalize action expeditiously, and Accountant General Punjab was reminded to take action against the DAO. The para was kept pending.

7-11-2001: The para was considered with reference to the minutes of the meeting dated September 27, 2001.

The Department explained that the process of taking action against the defaulters and effecting recovery was underway.

The Committee directed the Department to finalize action/recovery expeditiously under intimation to PAC through Audit. **The para was kept pending.**

General Observations/Directives

(1) The Health Department and Audit were directed to submit consolidated lists of cases, showing their particulars and the latest positions which had been registered with the Anti Corruption and/or with the Police.

(2) Moreover, a consolidated list of cases referred by the Health Department to concerned Deputy Commissioners for recovery of Government dues as arrears of land revenue should also be submitted to the Committee.

(3) The Committee observed that there was a need for in-depth review of the organizational set-up in the Health Department and Food Department for better financial management.

HOME DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
38	38	-	-	-

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 13	Paras finally settled as the requisite action had been taken.	Civil: 12.1, 12.3, 12.5, 12.7, 12.13, 12.15, 12..16, 12.21, 12.24(2), 12.26, 12.29, 12.33 and 12.37	13	355-357
		Commercial:		
Paras Conditionally Settled 7	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 12.2, 12.6, 12.9, 12.10, 12.24 (1), 12.31 & 12.36	7	358-361
		Commercial:		
Paras Pended 18	Paras pended as the Department had not taken satisfactory action.	Civil: 12.4, 12.8, 12.11, 12.12, 12.14, 12.17, 12.18, 12.19, 12.20, 12.22, 12.23, 12.25, 12.27, 12.28, 12.30, 12.32, 12.34 & 12.35	18	362-369
		Commercial:		
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial:		

Discussed on 11-12 April, 16-17 July and 17 September 2001

Paras Finally Settled (Civil Audit)

1. Para 12.1: Page 227; Non-realization of Long Outstanding Dues Rs.466,423/- Central Jail, Mianwali

11-04-2001: The Department explained that it was not a case of non-realization of dues, but the amounts had been deposited in a wrong head which had since been rectified. The explanation of the Department was accepted and the para was settled subject to verification by Audit.

16-07-2001: As per direction of the Committee dated April 11, 2001, the deposit/ adjustment of the entire amount of the para had been verified by Audit. **The para was settled.**

2. Para 12.3: Page 228; Non-deposit of Rs.216,900/- into Government Treasury, Central Jail, Faisalabad

11-4-2001: The Department explained that the contract money in respect of the canteen located in the jail premises had been deposited into the Welfare Fund.

Audit pointed out that the income accrued from the Government property should go into the receipt head of the Government instead of Welfare Fund.

The Committee directed that the contract money of the canteen amounting to Rs.216,900/- may be deposited into Government treasury and got verified by Audit. The para was kept pending.

16-7-2001: The Department explained that in compliance with the directive of the Committee dated April 11, 2001, the contract money of the canteen amounting to Rs.216,900 had been deposited into the Government treasury. **The para was settled.**

3. Para 12.5 Page 229; Non-deduction of Income Tax for Rs.100,731/-

12-4-2001: The Department explained that the Income Tax on POL was not deductible, the actual amount of Income Tax recoverable was Rs.4,273/-, which had been recovered and deposited. The para was settled subject to verification.

16-07-2001: As per directive of the Committee dated April 12, 2001, the deposit of Income Tax had been verified by Audit. **The para was settled.**

4. Para 12.7 Page 231; Un-authorized Retainees of Weapons, Loss of Rs.570,000/-

12-4-2001: The Department explained that the weapons had since been deposited by the concerned officers. The para was settled subject to verification by Audit.

The Committee further directed that such irregularity should not be repeated in future and the Inspector General of Police Punjab should issue instructions to this effect to all concerned.

16-7-2001: The Department explained that all the Government weapons had since been recovered from the concerned Police Officers. But one revolver, valuing Rs.20,000/-, which was with an officer who was killed in action, was missing and the loss would be got written off by the Competent Authority, after formal enquiry. The Department undertook to report progress by end of August. The para was kept pending.

17-9-2001: Audit pointed out that the Home Department had written off the loss of Rs.20,000/- on August 24, 2001 being the cost of the revolver lost by Sub-Inspector Mr Abdul Majeed (late). The remaining weapons had already been accounted for. **The Committee settled the para.**

5. Para 12.13: Page 236; Irregular Expenditure Worth Rs.813,790/-

12-4-2001: The Department explained that the expenditure had been made within competence and the record was available. The Department was directed to produce the requisite record to Audit for verification. The para was kept pending.

16-7-2001: The Department explained that the expenditure of Rs.813,790/- on the repair of

Police Transport comprising 85 vehicles had been made during 1995-96, with proper sanction of the Competent Authority in each case, and in accordance with the laid down procedure, in the most economical manner, and all record was available. **The explanation of the Department was accepted and the para was settled.**

6. Para 12.15: Page 237; Loss of Rs.207,669/- on Account of Purchase of Fire Wood at Excess Rates

11-4-2001: On the request of the Department and Audit the para was kept pending for verification of deposit and determination of actual recoverable amount.

16-7-2001: Audit reported that the deposit and adjustment of the amount of the para had been verified. **The para was settled.**

7. Para 12.16 Page 238; Loss of Rs.201,994/- Due to Non-deduction of House Rent

12-4-2001: The Department explained that Police officials of the rank of Constable to Sub-Inspector were entitled free accommodation as clarified by the Finance Department in their letter dated November 24, 1989. The position had been verified by Audit. **The para was settled.**

8. Para 12.21: Page 241; Unjustified Drawal of Government Money: Loss of Rs.219,004/-

12-4-2001: The Department explained that the amount of commutation drawn by an official who was compulsorily retired, had since been recovered from him after his re-instatement. The para was settled subject to verification by Audit.

17-7-2001 The Department explained that the amount of commutation drawn by the Ex-ASI had been recovered/adjusted and got verified by Audit. **The para was settled.**

9. Para 12.24(2): Page 243; Irregular Payment of House Rent Allowance of Rs.60,271/-

(2) 12.24(ii) Rs.25,759/-.

12-4-2001: The Department explained that total recovery of Rs.25,759/- had been effected and verified by Audit.

The item was settled, subject to issuance of warning by the Competent Authority to the officer who had irregularly drawn the House Rent Allowance.

10. Para 12.26: Page 244; Excess Payment of Rs.74,129/-Loss of Rs.207,669/- on Account of Purchase of Fire Wood at Excess Rates

11-4-2001: On the request of the Department and Audit the para was kept pending for verification of deposits and determination of actual recoverable amount.

16-7-2001: The Department explained that the recovery had been effected. Audit recommended the para for settlement. **The para was settled.**

11. Para 12.29: Page 246; Over-Payment of Staff Amounting to Rs.107,889/-

12-4-2001: The Department explained that total over-payment of Rs.107,889/- had been recovered and verified by Audit. **The para was settled.**

12. Para 12.33: Page 248; Recovery of Rs.85,063/- on Accounts of Trunk Calls

12-04-2001: The Department stated that all calls were made on official business, except the

foreign calls for which an amount of Rs.624/- had been deposited. The para was settled subject to verification by Audit.

17-7-2001: The Department explained that Superintendent of Police, Sargodha had certified that all calls were made on official business except the foreign call. The para was settled subject to verification of certificate given by Superintendent of Police Sargodha.

17-9-2001: Audit had verified the certificate given by S.P. Sargodha. **The para was settled.**

13. Paras 12.37: Page 251; Doubtful/Suspicious Grant of B-Class Facilities to the Prisoners and Misappropriation of Their Diet Costing Rs.87,094/-

11-04-2001: Audit informed the Committee that the sanction of the Competent Authority for grant of B class facilities to prisoners concerned had been verified by Audit. **The para was settled.**

Paras Conditionally Settled (Civil Audit)

1. Para 12.2: Page 227; Irregular and Un-authorized Condemnation of Prisoner's Clothes Valuing Rs.145,605/-

11-4-2001: The Department was directed to get the action of condemnation of prisoner's clothing valuing Rs.145,605/- regularised from the Finance Department. The para was kept pending.

16-7-2001: The Department explained that in compliance with the direction of the Committee dated April 11, 2001, the case for regularization of the condemnation of Prisoners' Clothing had been referred to the Finance Department. The para was settled subject to regularization by the Finance Department.

17-9-2001: The Department explained that the case for regularization of condemnation of prisoners' clothing had been referred to the Finance Department and its decision was still awaited. **The Committee had already settled the para subject to regularization by the Finance Department.**

2. Para 12.6: Page 230; Drawal of TA/DA Amounting to Rs.16,031,709/-

12-4-2001: The Department explained that TA Bills of Constables amounting to Rs.11,279,302/- were drawn from relevant sub-head "03900-Others COC" i.e. Carriage of Constables meant for this purpose, whereas Rs.4,750,407/- on account of TA/DA of upper sub-ordinates were drawn from sub-head "511-TA" to Government Servants. Moreover the purpose of journey was recorded in the Diary Register.

The Committee directed the Department that the relevant record be produced to Audit and any expenditure made from the wrong head may be got regularized from the Finance Department. The para was kept pending.

16-7-2001: Audit had accepted that out of the total amount of the para, an amount of Rs.4,750,407/- had been correctly drawn under the relevant head "51100-TA" and the same had been verified.

But the remaining amount of Rs.11,279,302/- had been drawn out of detailed head "03900-

Other Allowances-Excluding TA”, which was apparently irregular.

The Department, however, contended that the head “03900-Others (TA/DA)” had been fixed by the Finance Department for the expenditure of TA/DA of constables.

The matter was discussed at length. It was observed that it was an old established practice, although irregular. Therefore, as per contention of Audit, a reference should be made to Finance Department for clarification and/or regularization. The para was kept pending.

17-9-2001: The Department explained that a reference had been sent to Finance Department on July 26, 2001 for clarification but its reply was still awaited. The Departmental representative added that head-03900-others (TA/DA to constables) had been fixed by the Finance Department and the amount had been correctly drawn under the aforesaid relevant head of account.

The Committee directed that the Department should take action as per decision of the Finance Department. **The para was settled.**

3. Para 12.9: Page 233; Utilization of Receipts Towards Advances to the Officers Amounting to Rs.73,452/-

12-04-2001: The Department explained that Rs.41,609/- had been deposited leaving the balance of Rs.31,843/-.

The Committee observed that the practice of not depositing the receipts into Government Treasury promptly was unlawful and it should not be repeated in future. The Committee directed that the amount deposited should be got verified by Audit and the outstanding amount should be deposited immediately. The para was kept pending.

16-07-2001: As per directive of the Committee dated April 12, 2001 the Department informed the Committee that the balance amount of Rs.31,843/- had been deposited and its receipt would be shown to Audit for verification. **The para was settled.**

4. Para 12.10: Page 234; Irregular Expenditure of Rs.194,900/- on Purchase of Uniform/Liveries Articles

12-4-2001: Audit reported that the Department had purchased uniform/liveries articles for Rs.194,900/- by splitting the purchase order to avoid sanction of higher authority. The Department explained that the case had been referred to the Finance Department for regularization.

The Committee directed the Department to regularise the expenditure by the Finance Department, recover and deposit the Income Tax and take disciplinary action against the officers responsible for this irregularity. The para was kept pending.

16-7-2001: The Department explained that in compliance with the directive of the Committee dated April 12, 2001, the Income Tax had been recovered and got verified from Audit.

The disciplinary action against the officer responsible for the irregularity in purchases was in process. Moreover, Finance Department had been moved for regularization of the expenditure.

The Committee directed that the regularization and disciplinary action should be finalized expeditiously. The para was kept pending.

17-9-2001: The Department explained that the recovery of Rs.4,873/- on account of income tax had been made. The case for regularization of the expenditure was still under consideration in Home Department/Finance Department. The Department further explained that IGP had been requested to take Departmental action against the concerned DDO. Action was being taken against the retired SSP.

The Committee directed that the Department should act on the decision of the Finance Department in the case referred to it and finalize the disciplinary action expeditiously. It was decided that Finance Department would monitor further action on the para. **The para was settled.**

5. Para 12.24(i): Page 243; Irregular Payment of House Rent Allowance of Rs.60,271/-

(1) 12.24(i) Rs.40,512/-.

12-4-2001: The Department explained that the recovery on account of irregular drawal of house rent allowance was being made from the concerned officers/officials in installments from their salaries. A sum of Rs.14,318/- had been recovered and the recovery of the remaining amount was in process and would be completed in due course. The item was kept pending.

17-7-2001: The Department explained that as per direction of the PAC dated April 12, 2001 an amount of Rs.21,630/- has been recovered so far and efforts were being made to recover the balance amount. The para was kept pending.

17-9-2001: The Department explained that a sum of Rs.21,630/- had been recovered and a sum of Rs.7,452/- had been written off; efforts were being made to effect the recovery of Rs.6,668/- from a Junior Clerk and Head Clerk.

The Committee directed the Department to recover the balance amount and Finance Department to monitor it. **The para was settled.**

6. Para 12.31: Page 247; Non-recovery of Lease Money Amounting to Rs.291,155/-

12-4-2001: The Department explained that the Police Canteen was actually constructed out of the profit of the Police Regimental Fund on the Government land. Therefore, the rent of land was deposited in Government Treasury and the profit was utilized for the welfare of staff.

The Committee observed that the matter had legal implications and such a practice was also in vogue in other Departments, therefore, the Finance Department should decide the matter. The Committee directed that unless otherwise decided by the Finance Department, the lease money of Canteen should be deposited in Government Treasury. The para was kept pending.

17-7-2001: The Department explained that in compliance with the decision of the PAC dated April 12, 2001 the matter had been referred to Finance Department on July 14, 2001. The para was kept pending.

17-9-2001: The Department explained that the matter had been referred to Finance Department, and its decision was still awaited.

The Committee directed that further action should be taken in the light of the decision of the Finance Department.

The para was settled and Finance Department was directed to monitor necessary action on the para.

7. Para 12.36: Page 250; Non-recovery of Rs.53,099/- on Account of Return of Condemned Clothings

12-04-2001: The Department explained that clothing articles worth Rs.30,001/-, and cost of missing articles worth Rs.20,606/- had been recovered. The para was settled subject to verification

by Audit.

17-07-2001: The Department explained that the clothing items or their cost had been recovered. The para was settled subject to verification by Audit.

17-9-2001: The Department explained that the total amount of Rs.53,099/- on account of clothing articles had already been recovered and deposited into Government Treasury. All the relevant record was available for verification by Audit. **The Committee settled the para subject to verification of record by Audit.**

Paras Pended (Civil Audit)

1. Para 12.4: Page 229; Stock Entry and Vouchers for Rs.137,926/- not Produced

12-4-2001: The Department explained that all the relevant record with regard to the expenditure in question was available for verification by Audit. However, Audit still insisted that the relevant record was not being produced to Audit. As a test check, a particular voucher was demanded to be produced to Audit in the meeting. What was produced by the Department was not an expenditure voucher, but an office note containing sanction for the said expenditure.

The Committee directed that the Department should produce all the documents relevant to the expenditure in question to Audit for verification, including Bills of the Firms along with cash memo and entries of the articles in the Stock Registers etc. The para was kept pending.

16-7-2001: The Department had not reproduced in its working paper the full text of the directive of the Committee on this para. The Department had also not got the relevant record verified by Audit.

The Committee directed that the record should be got verified by Audit within 7 days, otherwise the D.D.O. should be proceeded against under the rules for the allegations contained in this Audit Para. The para was kept pending.

17-9-2001: In the light of the directive of the Committee dated July 16, 2001, Audit reported that the Department had produced the record only to the extent of the expenditure of Rs.46,231/- on which Audit had conveyed its observations to the Department and the record relating to the remaining expenditure had not been produced.

The Department explained that efforts were being made to trace out the remaining record. Moreover, an inquiry in the matter was also being conducted to fix the responsibility and further action would be taken in the light of the inquiry report.

The Committee directed that all the relevant record should be got verified by Audit and other necessary action should be finalized expeditiously. **The para was kept pending.**

2. Para 12.8: Page 232; Unlawful/Irregular Withdrawal of Government Money Amounting to Rs.95,500/- on Account of Office Rent

12-04-2001: The Department explained that the matter needed detailed inquiry and sought time

for the same. The para was, accordingly, kept pending.

16-07-2001: The Department explained that as per its commitment made in the last meeting held on April 12, 2001, an inquiry had been held. The Inquiry Committee had concluded that no advance payment was made to the owner of bungalow Nos.11/A and 148/A in Defence Officers Housing Schemes, Gujranwala, as intimated by the owner of the property.

The matter was discussed at length and it was observed that the Inquiry Committee had side-tracked the issues raised in Audit para.

The Committee directed the Department to hold a fresh comprehensive inquiry into irregularities pointed out in Audit Para. The para was kept pending.

17-9-2001: The Department explained that Inquiry Report had been finalized. It had been established that during the period in question two SPs had resided in the rented house, as office-cum-residence. One S.P. had not drawn House Rent Allowance and had paid 5% House Rent, while the other had not done so.

The Inquiry Officer had recommended that 50% rent may be recovered from the Ex SP (Traffic), Gujranwala. The Inquiry Report had been forwarded to IGP for recovery.

The Committee directed that the amount of recovery should be got determined by the Finance Department and recovery should be effected accordingly as soon as possible. **The para was kept pending.**

3. Para 12.11: Page 235; Irregular/ Un-admitted Expenditure of Rs.921,070/- on Account of Purchase of Machinery & Equipment and its Repair/Maintenance

12-4-2001: The Department explained that the record had been produced to Audit afterwards, but the physical verification had not been verified by any officer and the matter needed detailed inquiry.

The Committee directed the Department to complete the inquiry and the consequential action expeditiously. The para was kept pending.

16-7-2001: The Department explained that in compliance with the direction of the Committee dated April 12, 2001, an inquiry had been held and the Inquiry Report was pending for decision by the Home Secretary.

The Committee directed that the decision on inquiry and action should be finalized before the next meeting to be held in August, 2001. The para was kept pending.

17-9-2001: The Department explained that as per direction of PAC, the inquiry report had been finalized. The IGP had been requested to recover the amount of missing articles from the concerned/responsible officers.

The Committee directed that the recovery/necessary action should be finalized expeditiously under the Punjab Removal from Service (Special Powers) Ordinance 2000, if necessary. **The para was kept pending.**

4. Para 12.12: Page 235; Double Expenditure on Account of Uniform Articles, Ordnance Store for Rs.691,340/-

12-4-2001: The Administrative Secretary stated that he was not satisfied with the reply furnished by the concerned Superintendent of Police and a detailed inquiry was needed in the matter.

The Committee directed the Department to complete inquiry and the consequential action expeditiously. The para was kept pending.

16-7-2001: The Department explained that in compliance with the directive of the Committee dated April 12, 2001 an inquiry in this matter was in process and would be completed within a month and disciplinary action against the officers concerned would also be taken.

The Committee directed the Department to finalize the inquiry and disciplinary action before the next meeting to be held in August, 2001. The para was kept pending.

17-9-2001: The Department explained that Inquiry Report had been finalized. The recovery of Rs.6,000/- had been ordered and the remaining stock had been accounted for.

The Committee directed that the inquiry report should be produced to Audit for verification, and detailed facts of the case should be explained in the Working Paper for the next meeting. **The para was kept pending.**

5. Para 12.14: Page 237; Loss of Rs.300,019/- Due to Use of Telephone Over & Above the Limit Fixed by the Government

12-4-2001: The Committee re-iterated its decision made in similar cases of other Departments, that the excess expenditure over the prescribed ceiling in respect of residential telephone should either be got regularized by the Finance Department or recovered from the officers concerned. The para was kept pending.

16-7-2001: The Committee reiterated its decision dated April 12, 2001 for recovery or regularization. The para was kept pending.

17-9-2001: The Department explained that the cases for regularization had been referred to Finance Department and its decisions were awaited.

The Committee directed that necessary action should be taken in the light of decisions of the Finance Department. **The para was kept pending.**

6. Para 12.17: Page 238; Expenditure Beyond Ceiling on Residential Telephones Recovery of Rs.143,941/-

12-04-2001: The Committee reiterated its earlier decision that the expenditure beyond ceiling on residential telephones, should either be got regularized by the Finance Department or recovered from the officers concerned. The para was kept pending.

16-7-2001: The Committee reiterated its earlier decision dated April 12, 2001 for recovery or regularization. The para was kept pending.

17-9-2001: The Department explained that the cases for regularization had been referred to Finance Department and its decisions were awaited.

The Committee directed that necessary action should be taken in the light of decisions of the Finance Department. **The para was kept pending.**

7. Para 12.18: Page 239; Irregular Purchase of Socks to the Tune of Rs.829,800/-

12-4-2001: The Department explained that the articles purchased did not conform to the prescribed specifications, but the purchase had been made from the lowest tenderer.

The Committee directed that an inquiry should be held at the level of the Administrative Department into the purchase of sub-standard articles mentioned in this para for fixing responsibility and taking consequential action. The Committee further directed that the terms of reference of the inquiry should also include making of suggestions for improvement in the system of procurement.

The para was kept pending.

16-7-2001: The Department explained that in compliance with the directive of the Committee dated April 12, 2001, an Inquiry had been ordered. The Inquiry Report had been received and was being examined.

The Committee directed the Department to finalize the decision on the Inquiry Report and action against the officers at fault, before the next meeting to held in August, 2001. The para was kept pending.

17-9-2001: The Department explained that as per direction of PAC, an Inquiry Committee was constituted. The inquiry report of the said Committee had been remanded to the Committee due to certain reservations. The Department further explained that action would be taken after receipt of the final recommendation of the Inquiry Committee as per rules and regulations. **The para was kept pending.**

8. Para 12.19: Page 239; Irregular Purchase of Jursies Valuing Rs.3,118,560/-

12-04-2001: The Committee observed that this para was identical to para 12.18 and decided that its directions made in respect of Para 12.18 should also apply to this para. The para was accordingly kept pending.

16-7-2001: The Department explained that in compliance with the direction of the Committee dated April 12, 2001, an inquiry was ordered. The Inquiry Report had been received and was being examined.

The Committee directed that decision on the Inquiry Report and action be finalized before the next meeting to be held in August 2001. The para was kept pending.

17-9-2001: The Department explained that as per direction of PAC, an Inquiry Committee was constituted. The inquiry report of the said Committee had been remanded to the Committee due to certain reservations. The Department further explained that action would be taken after receipt of the final recommendation of the Inquiry Committee as per rules and regulations. **The para was kept pending.**

9. Para 12.20: Page 240; Excess Drawal of Rs.3,604,713/- Over & Above the Budget Allocations under Various Detailed Objects

12-4-2001: The Department admitted the excess expenditure pointed out in this para. The Committee directed the Administrative Department to get the expenditure regularized by the Finance Department. The Committee also directed the Administrative Department to hold inquiry into the excess expenditure, fix responsibility and take action against the officers responsible for the excess expenditure.

The Committee further directed that the Finance Department should hold inquiry into excess drawal over allocation allowed by the District Accounts Office, fix responsibility and take action against the officers responsible for the same. The para was kept pending.

16-7-2001: The Department explained that in compliance with the direction of the Committee dated April 12, 2001 an inquiry had been held. According to the findings of the Inquiry, Superintendent of Police, Gujranawala and District Accounts Officer, Gujranawala were equally responsible for excess expenditure over the budget allocations.

The Committee directed that decision on the inquiry and action should be completed before the next meeting to be held in August 2001. The para was kept pending.

17-9-2001: The Department explained that the inquiry had been finalized and the Services & General Administration Department had been requested to initiate Departmental action against the ex SSP Gujranwala who was responsible for the excess expenditure. Moreover, Finance Department had been requested to take action against the District Accounts Officer. The Finance Department had since intimated that the said District Accounts Officer being a Federal Government employee, the Provincial Government was not in a position to take action against him.

The Committee directed that the Finance Department should request Accountant General, Punjab, to initiate action against the District Accounts Officer. The Committee directed that action against the DDO/DAO should be finalized expeditiously.

The Committee further directed that Finance Department should also probe the excess expenditure at its own level so as to determine as to how the prescribed procedures had been circumvented for making excess expenditure over the budgetary allocation. **The para was kept pending.**

10. Para 12.22: Page 241; Misappropriation of Rs.318,273/- on Account of Purchases of Furniture, Curtain, Carpet and Stationery

12-4-2001: The Administrative Secretary explained that the matters pointed out in Audit Para needed a thorough inquiry and he undertook to complete the same within one month. The para was accordingly kept pending.

16-7-2001: The Department explained that in accordance with the decision taken in the last meeting on April 12, 2001, an inquiry was held into the matter. The Inquiry Committee had concluded that there was only a procedural mistake, and the D.D.O. had since retired, therefore, the irregularity should be got regularized by the Finance Department.

Audit pointed out that the purchase of Curtain, Carpet and Stationery was made without any prior advertisement.

The Committee observed that a thorough inquiry was not held according to the terms of para despite the fact that the Department had itself suggested inquiry into the matter.

The Committee directed the Department to hold a de novo inquiry into the para reference and submit its report in the next meeting. The para was kept pending.

17-9-2001: The Department explained that an inquiry was conducted by Deputy Secretary (Prisons), and the ex-DIG concerned had been held responsible for the irregularity. During discussion, it transpired that the ex-DIG had not been heard in the inquiry.

The Committee was not satisfied with the inquiry and directed that a fresh inquiry should be held and finalized within 15 days. The role and responsibility of the subordinate staff should also be examined. **The para was kept pending.**

11. Para 12.23: Page 242; Misappropriation of Telephone Charges Amounting to Rs.318,085/-

12-4-2001: The Department explained that all possible efforts had been made to trace out the unpaid telephone bill for which the arrear had been paid in March 1996 but all in vain. The Department stated that no bill was previously drawn for the period for which the arrears in question had been paid. Audit, however, stated that the scrutiny of the record so far produced by the Department, revealed that the statement of the Department was not correct.

The Committee directed the Department to hold an inquiry into this para and take action accordingly. The para was kept pending.

17-7-2001: The Department explained that as per direction of the PAC dated April 12, 2001 the inquiry was being conducted to determine that no double drawal was involved, on account of the telephone bill, for which arrears had been paid.

The Department was directed to complete action before the next meeting to be held in August 2001. The para was kept pending.

17-9-2001: The Department explained that Inquiry Report had been finalized and no double payment was involved in the payment of arrear bills of telephone.

The Committee directed that a copy of the Inquiry Report be supplied to Audit for study and comments. **The para was kept pending.**

12. Para 12.25 Page 244; Excess Payment of Residential Telephones Beyond the Ceiling: Recovery of Rs.138,770/-

12-4-2001: The Committee directed that its directions given on para 12.14 shall also apply to this para. The para was accordingly kept pending.

17-7-2001: The Committee reiterated its decision made in similar cases of other Departments that the expenditure over the prescribed ceiling in respect of residential telephone should either be got regularized by Finance Department or recovered from the officers concerned. The para was kept pending.

17-9-2001: The Department explained that the case for regularization had been referred to Finance Department and its decision was awaited.

The Committee directed that action should be taken in the light of decision of the Finance Department. **The para was kept pending.**

13. Para 12.27: Page 245; Un-lawful Payment of Sewing Charges Rs.217,740/-

12-4-2001: The Department explained that award of contract for sewing charges to Line Tailors was covered under Police Rule 4-29(2).

Audit commented that the contract had been awarded without calling open tenders.

The Committee directed the Department to get the action regularized by the Finance Department. The para was kept pending.

17-7-2001: The Department explained that as per direction of the PAC dated April 12, 2001, the matter had been referred to the Government for regulation of action that contract had been awarded to the Line Tailor without calling open tenders.

The Committee directed that the Administrative Department and Finance Department should review the legality of the provisions relating to award of contract of stitching of uniform to the Line Tailors, who were Government Servants and also examine its repercussions if such a practice is followed in other Departments. The para was kept pending.

17-9-2001: The Department explained that the case was referred to Finance Department for advice in the matter. The Finance Department advised to take Departmental action against responsible officer/official. The Finance Department was again requested to re-examine the case.

The Committee reiterated its earlier directions and desired that the matter should be resolved in a meeting of the Administrative Department, Finance Department and Law Department at the

level of the Secretaries. **The para was kept pending.**

14. Para 12.28: Page 246; Over-payment of Technical Allowance Paid to Drivers Rs.356,655/-

12-4-2001: The Department explained that technical allowance @ 20% of the pay was admissible to the staff working in the Telecommunication and Motor Transport Section of the Punjab Police. However, the case had been referred to the Finance Department for regularisation. The para was accordingly kept pending.

17-7-2001: The Department explained that matter had been referred to the Government for seeking a clarification. The beneficiaries had filed a writ petition in the Lahore High Court Lahore. The para was kept pending.

17-9-2001: The Department explained that the requisite clarification in the matter was still awaited.

The Committee directed that the matter should be resolved in a meeting at the Secretaries' level. **The para was kept pending.**

15. Para 12.30: Page 247; Irregular Payment of House Rent Allowance for Rs.457,896/-

12-4-2001: The Department explained that actual recoverable amount of Rs.96,973/- had been recovered and the remaining amount was not recoverable.

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

17-7-2001: The Committee reiterated its previous decision dated April 12, 2001 that the relevant record should be produced to Audit before the next meeting. The para was kept pending.

17-9-2001: Audit had verified the recovery of Rs. 96,973/- . The Department stated that the balance amount was not recoverable as the DSP/Headquarter had certified that some of the quarters remained un-occupied due to deteriorated condition.

Audit pointed out that the Departmental contention was not supported by the certificate of Buildings Department.

The Department was directed either to get its contention verified by Audit or to make recovery expeditiously. **The para was kept pending.**

16. Para 12.32: Page 248; Recovery of Rs.78,215/- on Account of Use of Residential Telephone in Excess of Prescribed Limits

12-4-2001: The Committee decided that its direction given on para 12.14 shall also apply to this para. The para was accordingly kept pending.

17-7-2001: The Committee decided that its direction given on para 12.25 shall also apply to this para. The para was kept pending.

17-9-2001: The Department explained that the case for regularization had been referred to Finance Department and decision was awaited.

The Committee directed that recoveries should be effected expeditiously if Finance Department did not agree to regularize the expenditure. **The para was kept pending.**

17. Para 12.34: Page 249; Recovery on Account of Excess Calls Over & Above the Ceiling on Residential Telephone Rs.152,248/-

12-4-2001: The Committee decided that its directions on para 12.14 shall also apply to this Para.

The para was accordingly kept pending.

17-7-2001: The Committee decided that its direction given on para 12.25 shall apply to this para also. The para was accordingly kept pending.

17-9-2001: The Department explained that the case for regularization had been referred to Finance Department and decision was awaited.

The Committee directed that recoveries should be effected expeditiously in case Finance Department did not agree to regularize the expenditure. **The para was kept pending.**

18. Paras 12.35: Page 250; Non-deposit of Rs.207,669/-Rs.74,129/- & Rs.321,788/-

11-4-2001: On the request of the Department and Audit this para was kept pending for verification of deposit and determination of actual recoverable amount.

16-7-2001: The Department explained that the balance amount of Rs.869,628, was outstanding against contractor Mr Muhammad Hayat who had since died. The case for write-off had been referred to the Finance Department. But simultaneously efforts were being made to locate the property of the deceased contractor so that action could be initiated for recovery.

The Committee observed that the machinery of recovery was not put into motion during the lifetime of the contractor, and no action had been taken from 1995 to 1997 to effect the recovery.

The Additional Secretary Home asked for a little time for making last effort for recovery. The para was accordingly kept pending for recovery.

17-9-2001: The Department reported that despite hectic efforts, it had not been possible to effect recoveries from the legal heirs of the contractor. The matter had been referred to the Finance Department to write off the loss. **The para was kept pending.**

HOUSING, URBAN DEVELOPMENT & PUBLIC HEALTH ENGINEERING DEPARTMENT

Overview

Total Paras	Civil	Works	Commercial	Receipts
139	2	137	—	—

Abstract

Status	Decision	Para Nos.	Total	Details (pages)
Paras Finally Settled 70	Paras finally settled as the requisite action had been taken.	Civil: (H&PP) 13.1	1	375
		Works: (PHE) I-A-1, I-C-3, I-D-1, I-D-2, I-E-2, I-F-1, I-G-1, II-B-1, II-D-1, III-A-8, III-A-9, III-B-2, IV-A-2, IV-A-3, IV-B-3, IV-C-1, IV-C-2, IV-D-1 (Annexure Paras): Sr.No. 1, 4, 6, 7, 8, 12 H&PP: I-A-1, I-B-1, I-D-1, II-A-1, II-C-1, III-A-1, III-A-2,+ III-A-3, III-B-1, IV-A-1 (Annexure Paras): Sr.No. 1, 2, 3, 4, 5, 6, 7, 8 (FDA): I-A-1, I-B-1, II-C-1, III-1 (Annexure Para) Sr.No. 1, (GDA): I-A-2, I-B-1, II-1, (LDA): I-A-1, I-C-1, I-D-1, II-1, II-2, III-A-1, III-B-1, IV-A-1, IV-B-1, IV-C-1, (Annexure Paras) Sr.No. 1, 2, 4, 5, 6 (MDA): I-A-1, I-C-1, II-A-1, II-B-1	69	375-391
Paras Conditionally Settled 16	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the departments shall report compliance to the Public Accounts Committee every six months.	Civil: (PHE): 23.1	1	392
		Works: (PHE) I-H-1, II-B-3, III-B-1, III-C-1 (Annexure Paras) Sr.No. 9, 13, 14 (H&PP): II-B-1 (FDA): II-A-1, II-B-1, II-D-1 (GDA): I-A-1 (LDA): I-B-1 (Annexure Para) Sr. No.3 (MDA): I-B-1.	15	392-398

Continued ...

Paras Pended 53	Paras pended as the department had not taken satisfactory action.	Civil:		
		Works: (PHE) I-A-2, I-A-3, I-A-4, I-A-5, I-B-1, I-B-2, I-B-3, I-B-4, I-B-5, I-C-1, I-C-2, I-C-4, I-E-1, I-F-2, II-A-1, II-A-2, II-A-3, II-A-4, II-A-5, II-B-2, II-B-4, II-C-1, III-A-1, III-A-2, III-A-3, III-A-4, III-A-5, III-A-6, III-A-7, III-A-10, III-A-11, III-D-1, III-E-1, III-F-1, IV-A-1, IV-A-4, IV-B-1, IV-B-2, IV-E-1, IV-F-1, IV-G-1, IV-H-1, V-1, V-2 (Annexure Paras) Sr.No. 5, 10, 11 (H&PP): I-C-1, I-E-1, IV-B-1 (LDA): II-3		51
	Paras pended as the Department did not submit the working papers.	Civil:		
		Works: PHE (Annexure Paras) Serial Nos. 2 & 3		2
				421

Discussed on 24, 26 & 27 January, 25-28 April, 7-9 August, 1 & 31 October and 1 November 2001

Paras Finally Settled (Civil Audit)

1. Para 13.1: Page 255; Non-recovery of Out-standing Government Dues Amounting to Rs.1,800,181/-

26-4-2001: The Department explained that the total lease money recoverable was Rs.234,854/-. Out of which Rs.189,043/- had already been recovered and Rs.34,811/- were outstanding.

The Committee directed that the total recoverable amount should be reconciled with Audit. Amount recovered should be got verified by Audit and the recovery of the balance amount be expedited. The Committee further directed that action should be taken against the officer responsible for not realising the lease money in time. The Para was kept pending.

7-8-2001: The para was considered with reference to the minutes of the meeting dated April 26, 2001.

The Department explained that all the relevant record (except the cash book) was

available for verification.

The Committee directed that available record should be shown to Audit for verification. The para was settled subject to verification by Audit.

1-10-2001: The Department explained that the total amount had been recovered and the relevant record had been produced to Audit.

Audit commented that Treasury Challans had been verified, but credit verification was yet to be seen. **The Committee settled the para.**

Public Health Engineering Department (Works Audit)

1. Para I-A-1: Page 198; Fictitious Measurements-Rs.301,049/-

25-4-2001: The Department explained that revised Administrative approval had been issued. The quantity of the pipe used was less than the quantity approved in the Technical Sanction. Photocopies of the relevant documents were shown to Audit. But they had demanded that original documents be shown which would be shown after the Public Accounts Committee meeting. The para was settled subject to verification of record by Audit.

8-8-2001: On April 25, 2001, the Committee had settled the para subject to verification of record by Audit. The record had since been verified by Audit. **The para was settled.**

2. Para I-C-3: Page 204; Payments of Excessive Quantities-Rs.63,729/-

25-4-2001: The Department explained that according to the original TS estimate there was a provision of 925 Rft long soling and in the revised detailed estimate the provision had been revised to 863 Rft which was actually paid.

The Committee directed the Department that the relevant record should be produced to Audit for verification. The para was kept pending.

8-8-2001: The para was considered on August 8, 2001 and August 9, 2001. After verification of record, Audit had verified that no payment had been made for the drain. **The para was settled.**

3. Para I-D-1 Page 205; Payments At Excessive Premium-Rs.193,905/-

25-4-2001: The Department explained that G.I. Pipe could not be supplied to the Contractor as it was not available and rate Contract of G.I. Pipe had expired. Therefore, the Contractor was directed to provide G.I. Pipe according to the decision of Chief Engineer North and the premium of 135% above CSR 1979 for P/fixing G.I. Pipe was paid to the Contractor. As such no excess or irregular payment was involved.

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

4. Para I-D-2: Page 206; Payments At Excessive Premium Rs. 66,569/-

26-4-2001: The Department admitted the irregularity pointed out by Audit.

The Committee directed the Department to take action in the matter as warranted by law/rules. The para was kept pending.

1-10-2001: The recovery of the actual amount of Rs.66,569/- had been verified by Audit.

The para was settled.

5. Para I-E-2: Page 207; Payments Without Provisions Rs.58,522/-

25-4-2001: The Department admitted that work had been executed without approval or provision of funds. The Committee directed the Department to hold an inquiry into the irregularity, fix responsibility and take action against officers at fault as warranted by the law or rules. The para was kept pending.

8-8-2001: The para was considered on August 8, 2001 and August 9, 2001.

In the first part of the para, full recovery of Rs.8,461/- had been made and verified by Audit.

In the second part of the para relating to Rs.50,060/- Audit had verified that the work had been executed as per the revised Administrative Approval. **The para was settled.**

6. Para I-F-1: Page 207; Excessive Measurements-Rs.59,445/-

25-4-2001: The Department explained that the work was executed in semi hilly area. In some reaches hard stone existed and excavation was not possible, therefore the pipe was laid on the ground. As such the length of trenches excavated did not tally with the length of the pipe laid.

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

7. Para I-G-1: Page 209; Double Measurements-Rs.82,606/-

25-4-2001: The Department explained that a certificate to the effect that the work was physically executed at site was issued by the Executive Engineer PHE Division Okara had been produced to Audit.

The Committee directed the Department that all the requisite record should be produced to Audit for verification. The para was kept pending.

8-8-2001: After verification of record, as per direction of the Committee dated April 25, 2001, Audit was satisfied that there was no double payment and all quantities were covered under the revised Administrative Approval.

The Committee observed that the practice of granting ex post facto sanctions was irregular and should be avoided in future. **The para was settled.**

8. Para II-B-1 Page 213; Non-recovery of Secured Advance Rs.90,000/-

25-4-2001: The Department explained that the entire recovery of Rs.90,000/- had been effected. The Committee settled the para subject to verification of total recovery by Audit.

8-8-2001: As per directive of the Committee dated April 25, 2001, Audit had verified the recovery of Rs.90,000/- but reported that the bill of the Contractor had not yet been finalised. The Committee observed that the matter could not be kept pending for an indefinite period. Audit should keep the matter under special observation, and make fresh observations, if and when necessary. **The para was settled.**

9. Para II-D-1 Page 215; Non-Accountal of Machinery-Rs.99,739/-

25-4-2001: The Department explained that the sullage pumping set was received by the

PHE(Project) Sub-Division, Gujranwala from PHE, Division Lahore on March 1, 1975 for the amount of Rs.99,739/- paid on June 25, 1974.

The Committee settled the para subject to verification by Audit.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25-26, 2001 and August 8, 2001.

The para was settled as the record had been verified by Audit.

10. Para III-A-8: Page 220; Acceptance of Tender at Higher Rates Rs.99,309/-

25-4-2001: The Department explained that actual amount of recovery was Rs.18,309/- which had been recovered from the Contractor.

The Committee settled the para subject to verification by Audit.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25-26, 2001 and August 8, 2001.

As the relevant record had been verified by Audit on July 26, 2001 and July 27, 2001, **the para was settled.**

11. Para III-A-9: Page 221; Acceptance of Tenders at Higher Rates Rs.73,500/-

26-4-2001: Audit had reported that earlier tenders with lower rates were not accepted but later tenders with higher rates were accepted.

The Department explained that the work was not allotted against the earlier tender because the site of the scheme had been changed from one village to another village by the order of the Chief Minister. The tenders were invited again and the lowest tender was accepted.

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

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25-26, 2001 and August 8, 2001.

The Department explained that the record had been verified by Audit on July 26 & 27, 2001. The Department further explained that the additional documents i.e. copy of CM directive and the copy of writ petition had been supplied to Audit for verification. **The para was settled.**

12. Para III-B-2: Page 223; Misappropriation of Material Rs.91,103/-

26-4-2001: The Department explained that recovery of Rs.85,680/- had been made in January, 1997 and warning had been issued to officer at fault. The para was settled subject to verification.

1-10-2001: **The para was settled** as the total amount of secured advance had been verified by Audit.

13. Para IV-A-2: Page 227; Payments without Provisions Rs.666,085/-

26-4-2001: Audit had reported that store worth Rs.666,085/- had been issued and charged to the accounts of work without any provision in the technical sanction.

The Department explained that the material was issued to various works and necessary provision existed in the estimate technically sanctioned by the competent authority.

The Committee directed that the Department should produce record to Audit to see that double payment had not been made for the item provided by the Department and only labour charges were paid. The para was kept pending.

31-10-2001: Audit pointed out that as a result of verification of record, recovery/ adjustment of Rs.538,891/- has been verified. The Committee was informed that the balance was accounted for by surplus and unserviceable material which would be put to auction. **The para was settled.**

14. Para IV-A-3: Page 228; Payments Without Provisions Rs.998,350/-

26-4-2001: Audit reported that a formation incurred expenditure of Rs.998,350/- in 1995-96 on drain and brick soling at location/streets which was not provided in the technically sanctioned estimate.

The Department explained that the provision for items for work existed in the revised detailed estimate sanctioned by the competent authority.

The Committee directed the Department to show the required record to Audit. The Committee further directed the Department to hold enquiry and take disciplinary action against the officer responsible for executing the work not provided in the technically sanctioned estimates. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

As the record had been produced to Audit for verification, **the para was settled.**

15. Para IV-B-3: Page 229; Enhancement of Agreement Rs.843,490/-

26-4-2001: The Department explained that Superintending Engineer was competent to sanction enhancement upto the cost of Rs.50.00 lac. The explanation of the Department was accepted and the **para was settled.**

16. Para IV-C-1: Page 230; Expenditure Without Approval-Rs.13,045,649/-

26-4-2001: Audit reported that a Division made Payment of Rs.13,045,649/- in 1994-95 and 1995-96 to the work charged establishment without sanctioning of the same by the competent authority and without identification of the payees.

The Department explained that the estimate had been technically sanctioned by the Superintending Engineer (PHE Circle Sargodha) on July 19, 1995 and identification of the payees had been verified by obtaining their National Identity Cards and specimen signatures.

The Committee directed that the relevant record be shown to Audit by a responsible officer conversant with the facts of the case. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department explained that in compliance with the PAC directive dated April 25 & 26, 2001, relevant record was produced to Audit for verification on September 8, 2001, which had been verified. **The para was settled.**

17. Para IV-C-2: Page 230; Expenditure Without Approval Rs.588,955/-

26-4-2001: The Department explained that Superintending Engineer was competent to

enhance work upto cost of Rs.50.00 lac. **The para was settled.**

18. Para IV-D-1: Page 231; Adoption of Higher Premium-Rs.2,497,600/-

26-4-2001: Audit reported that in a formation technical sanction of scheme was accorded by reducing the scope of work, changing the specification and adopting higher rates of premium on composite schedule of rates 1979 than that approved in Administrative Approval.

The Department explained that the scope of work had not been changed. Part-I detailed estimate was technically sanctioned by Superintending Engineer on November 30, 1993 for Rs.2,497,200/-. An amended Administrative Approval was accorded on June 19, 1996 for Rs.49,919 lac in which scope of part-I Technically Sanctioned estimate was included.

The Committee directed the Department to produce the required record to Audit for verification. The para was kept pending.

31-10-2001: The Department explained that in compliance with the PAC directive record was produced to Audit for verification, which had been verified. **The para was settled.**

Annexure Paras

19. Para 131(V)(1965-66): Page 381; Serial 1, Shortage of Store Amounting-Rs.65,457/-

26-4-2001: Audit had verified the record and recommended the para for settlement. **The para was settled.**

20. Para 118(1983-84): Page 381; Serial 4, Loss to Government Rs.20,000/-

26-4-2001: Audit had verified full recovery and recommended the para for settlement. **The para was settled.**

21. Para III(7)(1986-87): Page 381; Serial 6, Infertuous Expenditure Rs.14,405/-

26-4-2001: The Department explained that full recovery had been effected and got verified by Audit. **The para was settled.**

22. Para I(3)(1987-88): Page 382; Serial 7, over payment of Rs.25,900/-

26-4-2001: The Department explained that the recovery had been made which had been verified by Audit. **The para was settled.**

23. Para I(7)(1987-88): Page 382; Serial 8, Excess Payment of Rs.18,500/-

26-4-2001: The Department explained that full recovery had been made and in disciplinary case the accused had been exonerated. **The para was settled.**

24. Para II(4)(1987-88): Page 382; Serial 12, Non-recovery of Rs.117,497/-

26-4-2001: The recovery of secured advance of Rs.26,666/- along with interest accrued thereon of Rs.9,119/24 had been verified by Audit. The Department explained that disciplinary action as per decision of PAC dated March 17, 1993 had been ordered.

The Committee directed that the disciplinary action be finalised expeditiously. Responsibility for delayed action on PAC directive dated March 17, 1993 should also be fixed. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001. Audit reported that recovery of the secured advance along with the accrued

interest had been verified. **The para was settled.**

Housing & Physical Planning

25. Para I-A-1: Page 240; Excess Payment Rs.137,100/-

24-1-2001: The Department explained that the Technical Sanction (TS) had been revised to meet the extended scope of the work and no excess payment was involved. Audit had, however, commented that the T.S. had been revised four times by the Department increasing the scope of work of an item without prior approval of the competent authority.

The Committee directed that an inquiry be held by the Administrative Department into the facts of the case, and a detailed revised working paper be submitted within one month. The para was kept pending.

26-4-2001: The explanation of the Department was accepted and the **para was settled.**

26. Para I-B-1: Page 240; Payments at Higher Rates Rs.115,780/-

26-4-2001: The Department explained that the para was reduced to 45780/- by Audit on September 27, 1994. The balance recovery of Rs.39,700/- had been made from the contractor and adjusted vide TE 1 dated September 9, 1999. The para was settled subject to verification by Audit.

7-8-2001: Audit reported that as per directions of the *ad hoc* PAC dated April 26, 2001, the recovery had been got verified, but the final bill of the contractor had not yet been prepared. The Department explained that the final bill would be prepared when the electrical installation would be taken over by WAPDA. Audit explained that it wanted to satisfy itself that the 10% security of the Contractor was intact and the recovery had been made over and above the amount of security. The Committee directed the Department to produce the relevant record to Audit as per their contention. The para was settled, subject to verification by Audit.

1-11-2001: The para was considered with reference to directive of PAC dated August 7, 2001.

The Department explained that this para had already been settled on October 1, 2001. **The para was dropped.**

27. Para I-D-1 Page 241; Payment in Excess of Permissible Limit Rs.465,874/-

26-01-2001: The Department explained that total expenditure on the scheme was within the permissible limit as the 15% limit was applicable above the amount of the Administrative Approval and not on an individual sub-head as contended by Audit.

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

28. Para II-A-1: Page 243; Non imposition of Penalty Rs.61,644/-

26-01-2001: The Department explained that due to non-availability of funds the contract could not be completed, but finalized at the last bill of the Contractor within the completion period.

The para was settled subject to verification of finalization of the contract within the completion period.

26-4-2001: The Departmental explanation was accepted. **The para was settled.**

29. Para II-C-1: Page 244; Non Recovery of Secured Advance Rs.7,71,284/-

26-01-2001: The Department explained that whole amount of the secured advance had since been recovered and adjusted.

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

26-4-2001: The para was settled subject to verification of record by Audit.

7-8-2001: The Department explained that as per direction of the *ad hoc* PAC dated April 26, 2001, the relevant record had been got verified from Audit. **The para was settled.**

30. Para III-A-1: Page 245; Acceptance of Higher Rates Rs.812,170/-

27-01-2001: The Department explained that the tenders had been accepted within the permissible limit of 4.5%. The representative of the Finance Department clarified that the excess of 4.5% was permissible over the amount of technical sanction excluding the provisions for contingencies.

The Committee directed the Department to produce the record to Audit to verify whether the contingencies had been excluded. If so, the para may be treated as settled, but if the contingencies had been included, then the loss caused due to acceptance of higher rates should be recovered by the Department and in that case the para would be settled only on the recovery and its verification by Audit.

26-4-2001: It had been verified in the context of PAC decision dated January 27, 2001 that the contingencies had been excluded. **The para was settled.**

31. Para III-A-2: Page 246; Acceptance of Tenders at Higher Rates Rs.304,126/-

27-1-2001: The Department explained that against the provision of Rs.3,497,494/- in the technically sanctioned estimates, the tenders were accepted at Rs.3,330,087/- therefore, no excess payment had been made. Audit pointed out that the amount put to tender was Rs.2,937,303/- as such the tenders were accepted at 13.37% above the estimated cost.

However, during discussion it was revealed that the tender had actually been accepted before the technical sanction. The Committee directed that an inquiry should be held, by an inquiry Committee, including a representative of the Finance Department, to determine the full facts and to suggest the consequential action in the case. This should be completed within three months. The para was kept pending.

26-4-2001: The Department explained that in compliance with previous PAC directive dated January 27, 2001, the inquiry was yet to be held. The para was kept pending for completion of inquiry within one month.

7-8-2001: The para was considered with reference to the minutes of the meeting dated April 26, 2001. The Department explained that inquiry into the para had been completed and no irregularity had been found, as in this case the approval of design by Chief Engineer WAPDA would be treated as Technical Sanction, which had been obtained before calling the tenders, and the tenders were compared with DNIT.

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

32. Para III-A-3: Page 246; Acceptance of Tenders at Higher Rates Rs.132,308/-

27-01-2001: The Department explained that the Administrative Approval had been revised from Rs.961,000/- to Rs. 1,505,612/- and the actual expenditure was Rs.1,317,000/-.

The Department was directed to produce the revised Administrative Approval to Audit. The para was settled.

26-4-2001: Administrative Approval had been seen by Audit. **The para was settled.**

33. Para III-B-1: Page 247; Adoption of Higher Rates Rs.767,291/-

27-1-2001: Audit had pointed out that the Department had caused loss to Government by providing pre-cast roofing instead of RCC roofing which was economical. The Department explained that technical sanction was accorded by the competent authority with the provision of precast roofing. The work was done according to the approved classification and the payment was made accordingly.

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

34. Para IV-A-1: Page 248; Irregular Technical Sanction- Rs.343,804/-

27-1-2001: The Department explained that relevant record in respect of analysis of rates of non-schedule items which was approved by the competent authority would be produced to Audit for verification.

The Committee settled the para subject to verification, by Audit, of rates of non-schedule items approved by the Competent Authority.

26-4-2001: The Department explained that copy of approval of non-schedule rates had been sent to Standing Rates Committee. **The para was settled.**

Annexure Paras

35. Para 73(1972-73): Page 385; Serial 1, Theft of Timber Worth Rs.12,593/-

27-1-2001: As per decision of the Public Accounts Committee dated June 9, 1983, the sanction to write off the loss had been issued by the Competent Authority and verified by Audit. **The para was settled.**

Para 74(1972-73): Page 385; Serial 1, Shortage of Timber Worth Rs.207,524/-

27-1-2001: The para had already been settled by Public Accounts Committee on November 29, 1991.

36. Para 65(2)(1981-82): Page 385; Serial 2, Non recovery of Secured Advance of Rs.14,831/-

27-1-2001: The para had already been settled by Public Accounts Committee on February 18, 1999.

37. Para I(7)(1987-88): Page 385; Serial 3, Excess Payment Etc. to Contractor and Losses due to Execution of Defective Work Rs.77,100/-

27-1-2001: The Committee reiterated the decision of the Public Accounts Committee dated April 19, 1993, that the relevant record may be shown to Audit for verification immediately under intimation to the Assembly Secretariat. The Para was settled.

26-4-2001: The Committee reiterated its previous decision dated January 27, 2001, that the relevant record should be produced to Audit immediately. The para was settled.

7-8-2001: The Committee reiterated its previous decision dated April 26, 2001, that the relevant record should be produced to Audit for verification. The para was settled subject to verification of record.

1-10-2001: The para was settled, as Audit had verified relevant record.

38. Para I(9)(1987-88): Page 385; Serial 4, Excess Payment Etc. to Contractors and Losses Due to Execution Defective Work Rs.363,000/-

27-1-2001: The Committee reiterated the decision of the Public Accounts Committee dated April 29, 1992, that the relevant record may be shown to Audit for verification immediately under intimation to the Assembly Secretariat. The para was settled.

26-4-2001: The record was verified by Audit on April 24, 2001. **The para was settled.**

39. Para I(10)(1987-88): Page 385; Serial 5, Excess Payment etc to Contractors and Losses Due to Execution of Defective Work Rs.30,400/-

27-1-2001: The Committee reiterated the decision of the Public Accounts Committee dated April 19, 1993, that amount recovered may be got verified by Audit under intimation to the Assembly Secretariat. The para was settled.

26-4-2001: Audit had verified the record. **The para was settled.**

40. Para II(1)(1987-88): Page 385; Serial 6, Non-recovery of Government Dues Rs.77,600/-

27-1-2001: The Committee reiterated the decision of the Public Accounts Committee dated April 29, 1992, that the record of recovery be got verified by Audit and compliance report sent to Assembly Secretariat immediately. The para was settled.

26-4-2001: Audit had verified the record. **The para was settled.**

41. Para II(3)(1987-88): Page 386; Serial 7, Non-recovery of Government Dues Rs.94,900/-

27-1-2001: In compliance with the direction of the Public Accounts Committee dated April 29, 1992, the Department had produced the record to Audit. But Audit had enhanced the amount of the para from Rs.94,900/- to Rs.140,110/-.

The Committee observed that recovery of Rs.115,223/- had already been verified by Audit which was more than the original amount of Rs.94,900/-.

The Committee settled the para and observed that if justified, Audit may frame a new para regarding the additional amount, which caused enhancement in the amount of the non-recovery.

26-4-2001: The para had already been settled on January 27, 2001.

42. Para III(1)(1987-88): Page 386; Serial 8, Loss to Government Rs.92,063/-

27-1-2001: Audit had reported that the amount of the para worth Rs.53,000/- had been included in para III(1) of Audit Report 1986-87 worth Rs.92,063/- **The para was settled.**

Faisalabad Development Authority

43. Para I-A-1: Page 254; Payment at Higher Rates Rs.81,181/-

27-4-2001: Audit pointed out that in June 1997, the Departmental Accounts Committee

had directed that an inquiry should be held to verify whether the item in question was pre-cast or pre-stressed, but the Department had held no inquiry.

The Committee directed that the said inquiry should now be held by the Administrative Department and action taken accordingly. Moreover, reasons for not conducting the inquiry earlier should also be explained. The para was kept pending.

9-8-2001: The Department explained that as per direction of the PAC dated April 27, 2001, an inquiry had been held. During discussion it transpired that the Inquiry Officer had not visited the site and had failed to give a clear-cut opinion about the issues involved.

Audit further pointed out that there was over-writing in the measurement book.

The Committee directed that a fresh inquiry should be held by Administrative Department and action be completed by 20 September 2001. The para was kept pending.

1-10-2001: The Department explained that the inquiry report of the fresh inquiry had been finalized. It was verbally stated that the rate of the item had been correctly applied and paid. Moreover, the over-writing in the Measurement Book had been made by the official to rectify the error.

The Committee accepted the explanation of the Department but directed that the official responsible for over-writing should be warned to be careful in future. **The para was settled.**

44. Para I-B-1: Page 254; Inadmissible price variation Rs.77,021/-

27-4-2001: The Committee directed the Department to produce all the relevant record to Audit for verification of the factual position whether escalation was announced in the said period and whether it was applicable in the instant case. The para was kept pending.

9-8-2001: The para was considered with reference to the minutes of the meeting dated April 27, 2001.

The Department explained that Finance Department's letter issued in 1989 about escalation was an amendment to an earlier letter issued in 1980, and the provision for escalation in the items in question was already available in the letter of 1980.

The para was settled subject to verification of record.

1-10-2001: The record had been verified by Audit. **The para was settled.**

45. Para II-C-1: Page 256; Non-recovery of Penalty Rs.228,000/-

28-4-2001: The Para related to the recovery of non-construction fine from the allottees. The Department explained that the actual amount recoverable had been recovered. During verification, Audit had however, demanded the completion certificates. The Committee did not agree with the contention of Audit regarding production of Completion Certificates and directed the Department to produce relevant record to Audit for verification to the extent that the amount recoverable upto 1996-97, had been recovered.

The Para was settled subject to verification in the above-mentioned terms.

31-10-2001: On the recommendation of Audit, **the para was settled.**

46. Para III-I: Page 258; Acceptance of Tenders at Higher Rates-Rs.123,037/-

27-4-2001: Audit pointed out that the 2nd lowest tender of Rs.1,625,463/- had been

accepted instead of the 1st lowest tender of Rs.1,502,437/-.

The Department explained that the lowest tenderer did not sign the agreement and started the work despite repeated reminders, therefore, his security was forfeited and the second lowest tender was accepted.

Audit commented that the record produced by the Department did not provide explanation/justification for award of work to the 2nd lowest contractor.

The Committee directed the Department to hold an inquiry, into the irregularity pointed out in this para, fix responsibility and take action against the officers at fault as warranted by the law/rules. The para was kept pending.

9-8-2001: The para was discussed with reference to the minutes of the meeting dated April 28, 2001. The Department explained that the recovery of Rs.87,771/-, being equal to the additional cost paid by ignoring the 1st lowest tender, had since been effected.

The Committee presumed that the agreement of the Contractor to this recovery had been obtained and directed that actual difference in cost and its recovery should be got verified by Audit. The para was kept pending.

1-10-2001: The Department explained that the difference of cost between the first lowest tender and the 2nd lowest tender had been recovered and earnest money of the first lowest tender had already been adjusted.

After detailed discussion, the Committee **decided to settle the para** in view of the unique conditions of this particular case. The Committee directed that its decision in this case should not be quoted as precedent in other similar cases; the provisions of the Rules on the subject had to be strictly followed. Finance Department should issue detailed instructions to deal with such cases.

Annexure Para

47. Para 1(10)(1986-87): Page 389; Serial 1, Non-recovery Rs.11,367,768/-

28-4-2001: Audit reported that after verification the amount of the Para stood reduced to Rs.6,791,199/-. The Department explained that after excluding the amount of duplication, wrong calculation etc. the actual recoverable balance was Rs.2,715,645/-. The Department was directed to get the recovery/record verified by Audit and effect the balance recovery expeditiously. The para was kept pending.

9-8-2001: The para was considered with reference to the minutes of the meeting dated April 28, 2001. The Department explained that efforts were being made to recover outstanding dues from the residents of Madina Town. The para was kept pending.

1-10-2001: Audit reported that after verification of recovery/adjustment the amount of the para was reduced to Rs.1,775,155/-

The Department explained that necessary action was being taken in the cases of defaulting allottees.

The Committee observed that Audit may point out the up-to-date balance in the subsequent Audit Reports.

The Committee directed that the concerned agencies should review the cases of all the

defaulting allottees and see that allottees, especially of big plots, did not evade payment of fine and get prolonged extension. With the above observation and direction **the para was settled.**

Gujranwala Development Authority

48. Para I-A-2: Page 262; Inadmissible Price Variation Rs.82,540/-

28-4-2001: Audit reported that the Department paid price variation for cement and steel against clause 55(8)(9) of the contract agreement for the period for which date of completion was extended and secured advance was also paid to the contractor for these items. As such, Rs.1,045,543/- were paid in excess up to September 1994.

The Department explained that the price variation on secured advance was admissible vide instructions of the Finance Department contained in its letter dated February 10, 1987.

Audit however referred to the later instruction of the Finance Department whereby escalation was not admissible on the material for which secured advance had been paid.

The Committee directed the Department to hold an inquiry into the irregularity pointed out by Audit, fix responsibility and take action against the officer at fault as warranted by law or rules. The para was kept pending.

9-8-2001: The Department explained that in compliance with the directive of the Committee dated April 28, 2001, an inquiry had been ordered.

The Committee directed that the inquiry and consequential action should be completed by September 20, 2001. The para was kept pending.

1-10-2001: The Department explained that the recovery of Rs.31,023/- as determined in Departmental inquiry had been made. Director General Audit stated in the meeting that the same had been verified. **The para was settled.**

49. Para I-B-1: Page 263; Excessive Measurement Rs.52,612/-

28-4-2001: Audit reported that the Department measured/paid brick work for 30 feet height for pumping chamber against the technically approved estimate of May 16.5 feet and excess payment of Rs.52,612/- was therefore made.

The Department replied that the work was done as approved by the competent authority as per site requirements.

Audit stressed that prior approval for deviation had not been obtained from the competent authority.

The Department was directed to submit detailed working paper giving full facts and figures and chronological history of this case. The para was kept pending.

9-8-2001: The Committee was not satisfied with the explanation of the Department and reiterated its previous direction dated April 28, 2001, that the Department should submit a revised working paper giving full facts and figures and chronological history of the case. The para was kept pending.

1-10-2001: The Department explained that the Field Officer obtained the approval of the competent authority during execution of the work on April 25, 1995, whereas the work was completed in August 1995 and payment was made in 1996. The Committee observed that it was a case of bad planning. **The para was settled.**

50. Para II-1: Page 263; Non-recovery of Government Dues Rs.5,754,800/-

28-4-2001: The Department explained that the entire amount of installments of the cost of shops from the allottees had been recovered.

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

9-8-2001: The Department explained that as per directive of the PAC dated April 28, 2001 the recovery of Rs.5,754,800/- had been verified by Audit. **The para was settled.**

Lahore Development Authority

51. Para I-A-1: Page 268; Non-Deduction of Rebate Rs.2,214,425/-

28-4-2001: The Department explained that rebate was not applicable to non-bid items, as it was not a scheduled rate contract but item rate contract.

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

52. Para I-C-1: Page 269; Payment at Higher Rates Rs.87,556/-

28-4-2001: The Department explained that the item of supplying and applying vandex to provide water proofing treatment on the external walls was included in the tender and its rate was also included in the bid.

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

53. Para I-D-1: Page 269; Payment of excessive quantities Rs.74,350/-

28-4-2001: The Department explained that in Contract GLP/D-195 of 1975, the contractor did some job and left the work incomplete. No payment was made to that contractor. The left over work was executed in 1979 under another contract, alongwith other work.

The Department was directed to probe into the revision of the scheme and also get the record verified by Audit to show that no payment was made to the first contractor. The para was kept pending.

9-8-2001: The Department explained that as per direction of the PAC dated April 28, 2001, an inquiry was held and it was established that payment had been made for the additional work. Moreover, the record was got verified from Audit. **The para was settled.**

54. Para II-1: Page 270; Non-recovery of Advance Rs.8,749,781/-

28-4-2001: The Department explained that the adjustment of advance of Rs.8,749,781/- paid to WAPDA for electrification of various schemes had since been made. **The para was settled.**

55. Para II-2: Page 271; Non-recovery of Advances Rs.1,141,376/-

28-4-2001: The Department explained that out of Rs.1,141,376/- an amount of Rs.194,700/- was granted to different officers which had been got adjusted. An amount of Rs.947,866/- was paid to the Chairman Area Electricity Board for streetlights and other electrification work. The matter was being pursued vigorously with the WAPDA authorities for rendering the accounts. The Department was directed to get the adjustments verified by

Audit. The para was kept pending.

9-8-2001: The para was considered with reference to the minutes of the meeting dated April 28, 2001. The Department explained that details on the basis of which WAPDA had incurred expenditure had been provided to Audit for verification. **The para was settled.**

56. Para III-A-1: Page 272; Non-Awarding of Work at Risk & Cost Rs.4,394,789/-

28-4-2001: The Department was directed to submit a revised working paper giving detailed facts and figures and chronological history of the case; and also justification for not executing the work at the risk and cost of the defaulting contractor. The para was kept pending.

9-8-2001: The Department could not satisfy the Committee on the point as to why the work was not executed at the risk and cost of the defaulting contractor.

The Committee directed that the Department should refer the matter to the Law & Parliamentary Affairs Department for legal advice/clarification on the controversial issue involved. The para was kept pending.

1-10-2001: The Department explained that the case for seeking legal advice had been referred to the Law and Parliamentary Affairs Department, and advice was awaited.

The Department was directed to finalize action expeditiously. The para was kept pending.

31-10-2001: After discussion of the Departments' explanation at some length, **the Committee decided to settle the para.**

57. Para III-B-1: Page 273; Acceptance of Tenders at Higher Rates Rs.1,377,273/-

28-4-2001: The Department explained that the Project Director was competent to divert contingencies/night work allowance towards the work.

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

58. Para IV-A-1: Page 274; Enhancement of Agreemental Amount Rs.5,268,886/-

28-4-2001: The Department explained that the contractor did not leave the work incomplete and that enhancement of agreement was made under the approval of the competent authority. The Department further stated that the Para had been settled by the DAC.

The Committee directed that Audit should submit a report whether the DAC had settled the Para before its conversion into Draft Para, and LDA should show to Audit that the enhancement had been made by the Competent Authority.

The para was settled subject to verification/report by Audit.

In the meantime, the Director General Audit (Works), had reported vide letter PAC (P-II)/DP-IV-A-I/96-97/LDA/2914 dated 15 May 2001, that Audit had verified that contention of the Department was correct, thus **the para was settled.**

59. Para IV-B-1: Page 275; Undue Payment Rs.393,538/-

28-4-2001: The Department had made payment of price variation in running bills instead of allowing such variation after the completion of work.

The para was settled. However, the Department was advised to seek condonation of

implementation of the relevant orders of Finance Department, of April 1992.

9-8-2001: The para had already been settled on April 28, 2001.

60. Para IV-C-1: Page 275; Infructuous Expenditure Rs.87,886/-

28-4-2001: The Department explained that the log books of the vehicles were available for verification.

The Department was directed to get the log books verified by Audit and also to tender an explanation for not implementing the DAC decision dated January 1997. The para was kept pending.

9-8-2001: The Department explained that the necessary record/log books had been got verified by Audit. **The para was settled.**

Annexure Paras

61. Para I-24(1986-87): Page 387; Serial 1, Excess Payment Rs.19,050/-

28-4-2001: The Department explained that full recovery of Rs.19,050/- involved in this para had been made and verified by Audit. **The para was settled.**

62. Para IV-4(1986-87): Page 387; Serial 2, Loss Rs.162,860/-

28-4-2001: The Department explained that full recovery of Rs.13,121/- involved in this para had been made and verified by Audit. **The para was settled.**

63. Para II-2(1987-88): Page 387; Serial 4, Excess Payment-Rs,70,105/-

28-4-2001: The Committee directed that the PAC directive dated July 25, 1996 regarding verification of record, should be implemented within one month. Explanation for not implementing the said PAC directive so far should also be rendered. The para was kept pending.

9-8-2001: Audit explained that recovery had been made and verified. **The para was settled.**

64. Para II-9(1987-88): Page 387; Serial 5, Excess Payment Rs.85,062/-

28-4-2001: The Committee was informed that this para had already been settled by the previous PAC on July 25, 1996. **The para was deleted.**

65. Para III-1-II(1987-88): Page 387; Serial 6, Loss of Rs.1,812,115/-

28-4-2001: The Department explained that the record had been produced to Audit for verification on April 19, 2001 and their comments were awaited. The para was kept pending.

9-8-2001: The Department explained that record was shown to Audit on June 19, 2001 for verification. Audit reported that the record was not linked to the items in question, therefore, recovery could not be verified. The para was kept pending.

1-10-2001: The para was settled as the record had been verified by Audit.

Multan Development Authority

66. Para I-A-1: Page 280; Water & Sewerage Charges Rs.5,893,000/-

27-4-2001: The Department explained the circumstances under which the recovery target had not been achieved. The Committee directed the Department that strenuous efforts be made for recovery of water and sewerage charges. The para was kept pending.

1-10-2001: The Department explained that prior to the establishment of WASA Multan, the Municipal Corporation Multan charged nominal water charges from the consumers. WASA Multan was established to function on self-finance basis. WASA enhanced the water charges and also introduced sewerage charges. The consumers discontinued to pay the said charges to WASA. Due to non-realization of the expected income, WASA could not maintain the water-supply and sewerage system, which created civic problems and the consumers showed non-cooperation in payment of the bills and WASA was running into losses.

The Committee observed that the Government should examine if WASA MDA should be retained under these conditions. With the above observation, **the para was settled.**

67. Para I-C-1: Page 281; Cost of Bitumen Rs.163,868/-

28-4-2001: The Department explained that the recovery of cost of bitumen from the concerned contractor had been made which had been verified by Audit. **The para was settled.**

68. Para II-A-1: Page 282; Fraudulent Payment-Rs.1,581,847/-

28-4-2001: Audit reported that quantity of certain items of work had been increased/decreased/deleted after award of work and without prior approval of the Authority who accorded Technical Sanction. The Department explained that variations in quantities of different items necessitated due to site requirements stood regularised in revised Administrative Approval/Technically sanctioned estimates. However, no details had been mentioned in the Working Papers to show whether the items were deleted before acceptance of tender or after acceptance of tender.

The Committee directed the Department to submit revised Working Paper giving full facts, figures and chronology of the case. The para was kept pending.

8-8-2001: As per direction of the Committee dated April 28, 2001, the Department had submitted revised Working Paper giving details of the para. After verification of record, Audit had accepted the view-point of the Department. **The para was settled.**

69. Para II-B-1: Page 282; Theft of Measurement Book.

28-4-2001: The Department explained that the competent authority had approved to write off the loss of the Measurement Book vide order dated January 8, 2001. **The para was settled.**

Paras Conditionally Settled (Civil Audit)

Public Health Engineering Department

1. Para 23.1: Page 327; Irregular Expenditure of Rs.189,272/- on Account of Irregular Appointments

26-4-2001: The Department explained that the Department was under the impression that as the ban on recruitment had been lifted, there was no need to obtain NOC from the Welfare Wing of Services General Administration & Information Department. However, the Department would refer the case to Services General Administration & Information Department for regularisation.

The Committee directed the Department to take action against the officer who did not follow Government instructions and made recruitments without obtaining NOC. The Para was kept pending.

7-8-2001: The Department explained that as per direction of the *ad hoc* PAC dated April 26, 2001 a reference for regularization of the appointments had been sent to Services & General Administration Department on July 28, 2001.

The Superintending Engineer, who had made the irregular appointments had been removed from service in some other case. The Committee directed that case for regularization may be got decided at an early date. The para was kept pending.

1-10-2001: The Department explained that the Regulation Wing (SGA&ID) to whom reference was made had advised to refer the case to the Welfare Wing (SGA&ID). The Committee directed that Administrative Department should refer the case to the Welfare Wing SGA&ID, and comply with its directives, and report compliance to the monitoring wing, Finance Department. With the above directive, **the para was settled.**

(Works Audit)

1. Para I-H-1: Page 209; Non-deduction of Available Earth Rs.74,584/-

26-4-2001: The Department explained that total recovery had since been made. The Committee **settled the para subject to verification** by Audit.

2. Para II-B-3: Page 214; Non-recovery of Secured Advance-Rs.55,575/-

26-4-2001: The Department explained that the matter needed inquiry and action against the officers at fault.

The Committee directed the Department to take action as warranted by law/rules. The para was kept pending.

1-10-2001: The **para was settled** as the total recovery had been verified by Audit.

The Committee directed that the **Finance Department should monitor progress** in the disciplinary action taken against the defaulters in this case.

3. Para III-B-1: Page 223; Misappropriation of Material Rs.66,559/-

26-4-2001: The Department explained that all recovery had been made. **The para was settled subject to verification.**

4. Para III-C-I: Page 224; Non-adjustment of Expenditure-Rs.174,824/-

26-4-2001: Audit had reported that the expenditure to the stated extent incurred on the running of vehicles had not been finally charged to the works on which the vehicles were used

during 1985-86.

The Department explained that the requisite adjustment was difficult at this belated stage, because the log books of the vehicles were not traceable.

The Committee directed that the matter may be got regularised by the Finance Department. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department explained that the case for regularization had been referred to the Finance Department on July 28, 2001 and was being pursued at personal level. A DO reminder had also been issued on September 15, 2001.

The **para was settled** with the direction that the Department may pursue the matter and **Finance Department may monitor** and report progress on it.

Annexure Paras

5. Para IV(4)(1987-88): Page 382; Serial 9, Misappropriation of Store/Material Rs.10,546/-

26-4-2001: Audit had verified the recovery and accountal. The Department explained that the disciplinary proceedings as per directive of PAC dated March 17, 1993 had been initiated.

The Committee directed that finalisation of disciplinary proceedings be expedited. Responsibility for delayed action on PAC directive dated March 17, 1993 should be fixed. The para was kept pending.

31-10-2001: The **para was settled** with the direction that the Finance Department may **monitor and report progress** on disciplinary action in the case.

6. Para IV(1)(1987-88): Page 382; Serial 13, Misappropriation of Store/Material Rs.85,757/-

26-4-2001: The Department explained that the present outstanding balance was Rs.14,656/- and disciplinary proceedings as per PAC directive dated March 17, 1993 had been ordered.

The Committee directed to expedite the balance recovery and disciplinary action. Responsibility for delayed action on PAC directive dated March 17, 1993 should also be fixed. The para was kept pending.

31-10-2001: The **para was settled subject to verification** of record by Audit.

7. Para IV(3)(1987-88): Page 383; Serial 14, Misappropriation of Store/Material Rs.47,616/-

26-4-2001: The Committee reiterated previous PAC decision dated May 17, 1995. The Para was kept pending.

1-10-2001: The Department explained that the case for write-off had been referred to Finance Department and decision was awaited.

The Department was directed to finalize action expeditiously. The para was kept pending.

1-11-2001: The para was considered with reference to the minutes of the meeting dated October 1, 2001.

The Department explained that the matter had been referred to the Finance Department for allocation of funds for final adjustment. The decision of Finance Department was awaited.

The para was settled with the direction that action may be finalized expeditiously and monitored by the Finance Department.

Housing & Physical Planning

8. Para II-B-1: Page 244; Non-Recovery of Secured Advance Rs.56,658/-

26-1-2001: The Department explained that the amount of Para had been reduced to Rs.18,165/- in the DAC meeting dated 28-11-1996 and the said amount had since been recovered/adjusted vide transfer entry dated July 22, 2000.

The Department was directed to get the record verified by Audit. The para was kept pending.

26-4-2001: The Department explained that the bill had not yet been finalised. The para was settled subject to verification of record by Audit.

7-8-2001: The para has two parts:-

(a) A.P. 2471 Road Crust balance Rs.38,493/-

Audit reported that the amount had been recovered and verified. This part was settled.

(b) A.P. 2477 secured advance Rs.1,816/-

Audit reported that the recovery had been effected and verified. However, the accounts of the work were still to be finalized and Audit wanted to satisfy itself that the 10% security of the Contractor was intact.

This part was settled, subject to verification by Audit.

01-10-2001: The Department explained that the balance recovery of Rs.18,165/- had since been made.

The Committee directed that **the monthly accounts should be got verified** by Audit. **The para was settled.**

Faisalabad Development Authority

9. Para II-A-1: Page 255; Non-recovery of Aquifer Charges Rs.8,562,315/-

27-4-2001: The Department explained that aquifer charges were recoverable from the industry who went into the Court of law against the action of Water and Sanitation Agency for demanding aquifer charges. However, an amount of Rs.214,973/- had been recovered leaving a balance of Rs.8,347,342/-.

The Committee reduced the para to Rs.8,347,342/- and directed the Department that strenuous efforts be made for recovery of the balance amount. The para was kept pending.

9-8-2001: The para was considered with reference to the minutes of the meeting dated April 27, 2001. The Department explained that recovery of Rs.496,996/- had been made leaving the balance of Rs.1,652,735/-. The para was kept pending.

1-10-2001: The Department explained that the outstanding balance of Rs.1,552,735/- on account of aquifer charges could not be recovered from 16 Industrial Units which have ceased to exist and the same had been written off by the governing body. However, Audit did not accept the write off sanction because the said charges were recoverable from the properties of the defaulters.

The Committee directed that action should be taken against the persons responsible for not recovering the aquifer charges from the industrial units at the proper time. The Department should ensure that necessary action for recovery of the charges expeditiously is taken by the Authority. It should also be seen that similar charges are duly recovered by other WASAs. The Committee directed that **Finance Department should monitor the follow-up action.** With the above direction the **para was settled.**

10. Para II-B-1: Page 256; Non-recovery of cost of material Rs. 378,572/-.

27-4-2001: The Department explained that the whole amount had been recovered from the Contractor and his final bill was in plus figures. The Committee kept the para pending for verification by Audit.

9-8-2001: The para was discussed with reference to the minutes of the meeting dated April 27, 2001.

The para related to the failure in recovery of cost of 43 metric ton bitumen from the Contractor. In the previous meeting, the Department had stated that the whole amount had been recovered, but now the Department explained that Rs.120,744/- had been recovered and balance recovery of Rs.167,644/- would be effected within 6 months. Finance Department commented that, as per statement of the Department, it was a deposit work and as such it should have been executed after receipt of advance payment.

The Committee directed that the outstanding amount of the Para should be recovered from the officer who advanced the material to the Contractor and he should also be proceeded against under the Punjab Removal from Service (Special Powers) Ordinance, 2000. The recovery and action should be completed by 20 September 2001. The para was kept pending.

1-10-2001: The Department explained that recovery of Rs.168,000/- had been made from the contractor and got verified by Audit. The Department further explained that preliminary inquiry to fix the responsibility of overpayment to the contractor had been completed and regular inquiry against the officials at fault had been ordered under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that action be finalized expeditiously and final decision be **reported to Finance Department. The para was settled.**

11. Para II-D-1: Page 257; Non-recovery of excess payment Rs.63,769/-

28-4-2001: Audit had reported that an officer, who had served in FDA on ad-hoc basis for

5 months during 1977 was later on appointed by initial recruitment in 1987, was given the benefit of re-fixation of pay in his scale from 1977. During discussion before the Committee the Department revealed that, the said officer had filed appeal in the Lahore High Court, which was decided against him and his further appeal in the Supreme Court was pending, when the then Director General, FDA, granted the said re-fixation to him and he withdrew his appeal pending in the Supreme Court. However, the entire facts of the case had not been stated in the Working Paper.

The Committee directed that a revised Working Paper, giving detailed facts and figures and chronological history of the case should be submitted in the next meeting. The para was kept pending.

9-8-2001: The para was considered in the light of the minutes of the meeting dated April 28, 2001.

The Department explained that the recovery of the over-payment received by the officer due to wrong fixation of his pay had been ordered from his pay, and the same was in progress.

The Committee observed that Audit had verified that the **recovery was in progress** from the pay of officer and that Audit would watch the recovery. **The para was settled.**

Gujranwala Development Authority

12. Para I-A-1 Page 262; Inadmissible Price Variation Rs.1,045,543/-

28-4-2001: Audit reported that the Department paid price variation for cement and steel against clause 55(8)(9) of the contract agreement for the period for which date of completion was extended and secured advance was also paid to the contractor for these items. As such, Rs.1,045,543/- were paid in excess up to September 1994.

The Department explained that the price variation on secured advance was admissible vide instructions of the Finance Department contained in its letter dated February 10, 1987.

Audit however referred to the later instruction of the Finance Department whereby escalation was not admissible on the material for which secured advance had been paid.

The Committee directed the Department to hold an inquiry into the irregularity pointed out by Audit, fix responsibility and take action against the officer at fault as warranted by law or rules. The para was kept pending.

9-8-2001: The Department explained that in compliance with the directive of the Committee dated April 28, 2001 an inquiry was held and responsibility had been fixed, but the amount determined is less than the amount of the Para.

The Committee directed that a copy of the inquiry report should be supplied to Audit and the recoverable amount should be reconciled with Audit. The Committee directed that the action and recovery should be completed by 20th September 2001. The para was kept pending.

1-10-2001: The Department explained that in the Departmental inquiry the amount of recovery had been determined as Rs.16,419/-.

The Committee directed the Department to produce the record of inquiry to Audit for verification as to how the amount of the para had been reduced to Rs.16,419/-. The para was kept pending.

31-10-2001: The Committee settled the para subject to verification of record by Audit.

Lahore Development Authority

13. Para I-B-1: Page 268; Inadmissible Price Variation Rs.403,414/-

28-4-2001: The Department explained that the work was completed by the contractor within the extended time period due to increase in scope of work as allowed by the competent authority without penalty. The price variation i.e., escalation was paid to the contractor as per clause 55 of the agreement. **The para was settled subject to verification by Audit.**

Annexure Para

14. Para II-1(86-87): Page 387: Serial 3, Non-recovery Rs.294,959/-

9-8-2001: The Department explained that the para was transferred from H&PP to LDA and, if so desired, the Department may take up the matter with the Federal Government for clearance of the outstanding dues of the Punjab Government.

The Committee observed that it was prime duty of the Administrative Department to recover the amount and there was no need of any further direction of the PAC in this connection. The para was kept pending.

1-10-2001: The Committee directed that Administrative Department should pursue the recovery from the Federal Government agencies concerned and Finance Department should **monitor the same. The para was settled.**

Multan Development Authority

15. Para I-B-1: Page 280; Risk and Cost Charges Rs.956,518/-

28-4-2001: Audit reported that an amount of Rs.956,518/- was recoverable from a contractor on account of a work completed at his risk and cost. The Department explained that the dues of the contractor amounting to Rs.264,834/- were available with the Department and the balance amount of Rs.691,684/- was demanded from him. But he filed a Civil Suit which was decided in favour of the Department on April 30, 1999. He had filed an appeal in the Sessions Court. However, the Department was pursuing the recovery as arrears of land revenue through the District Collector.

The Department was directed to produce the record of recovery/adjustment to Audit and pursue the recovery of the remaining amount vigorously. The para was kept pending.

8-8-2001: The Committee reiterated its previous direction dated April 28, 2001 for verification of the recovery of Rs.264,834/- and pursuing the balance recovery. The para was kept pending.

1-10-2001: The Department explained that the suit filed by the contractor had been decided in favour of the MDA and recovery of the government dues from him was being pursued as arrears of land revenue.

The Committee directed that the recovery should be pursued by Administrative Department and **monitored by Finance Department.** With this direction **the para was**

settled.

Paras Pended

(Works Audit)

Public Health Engineering Department

1. Para I-A-2: Page 198; Fictitious Measurements-Rs.279,950/-

25-4-2001: Audit reported that the Department had measured and paid brick soling to the extent of 53524 Cft against the technical sanction provision of 36425 Cft. Audit further explained that the Department invited tenders for 6724 Cft soling and made payment of Rs.279,950/- by recording fictitious measurement in the Measurement Book. The Department admitted that technical sanction was accorded after completion of work and the work was not covered in the administrative approval.

The Committee directed the Department to hold an inquiry at the Secretariat level into the irregularities pointed out by Audit, fix responsibility and take necessary action as warranted by the law/rules. The para was kept pending.

8-8-2001: The Committee expressed its dissatisfaction over the fact that the Department had not completed the action as desired by the Committee on April 25, 2001 on a number of Audit paras. The Administrative Secretary committed that the action would be completed positively by 20 September 2001 and reported to the PAC Secretariat. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Committee expressed its displeasure that the Department had not completed action on its earlier directives. The Administrative Secretary stated that inquiry had been completed and consequential action was under way. He also committed that the action would be completed before the next meeting of the Committee.

Audit pointed out that the Department had not produced the record for verification. The Department was directed to produce the record to Audit for verification and complete the action expeditiously. **The para was kept pending.**

2. Para I-A-3: Page 199; Fictitious Measurements-Rs.174,318/-

25-4-2001: Audit reported that the Department had not justified irregular tendering, fictitious measurement and expenditure incurred in excess of revised administrative approval.

The Committee directed the Department to hold an inquiry at the Secretariat level into the irregularities pointed out by Audit, fix responsibility and take necessary action as warranted by the law/rules. The para was kept pending.

8-8-2001: The Department had not completed the action as per direction of the Committee dated April 25, 2001. The Administrative Secretary committed that the action would be completed by September 20, 2001 and reported to the PAC Secretariat. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Committee expressed its dissatisfaction that the Department had not completed the action on its earlier directions. The Administrative Secretary stated that inquiry had been completed and consequential action was under way. He also committed that the action would be completed before the next meeting of the PAC.

The Department was directed to fix responsibility and take action against the officers/officials at fault without delay. **The para was kept pending.**

3. Para I-A-4: Page 199; Fictitious Measurements-Rs.70,168/-

25-4-2001: Audit reported that the Department had not justified irregular tendering, fictitious measurement and expenditure incurred in excess of revised administrative approval.

The Committee directed the Department to hold an inquiry at the Secretariat level into the irregularities pointed out by Audit, fix responsibility and take necessary action as warranted by the law/rules. The para was kept pending.

The Committee observed that Para Nos. 1-A-2, 1-A-3 and 1-A-4, related to the same Scheme. Therefore, one Inquiry Officer/Committee should be appointed for these three Paras. The Committee further directed that the Inquiry Officer/Committee should physically check the work executed.

8-8-2001: The Department had not completed the action as per direction of the Committee dated April 25, 2001. The Administrative Secretary committed that the action would be completed by 20 September 2001 and reported to the PAC Secretariat. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Administrative Secretary stated that action against the defaulting officers/officials had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The para was kept pending with the direction that the Department may complete the action expeditiously.

4. Para I-A-5: Page 200; Over payment of Rs.254,904/-

27-1-2001: Audit had based this para on a public complaint that payment of Rs.254,904/- had been made to the contractor on account of earth filling and brick pavement, but actually no work had been done on the site. The Department explained that an inquiry was held and as per actual measurements, recovery of Rs.80,000/- for the work not done at site had been made. The Department further explained that an inquiry for determining the responsibility for over payment was in progress.

The Committee directed that a (preliminary) inquiry should be held into the payment of the whole amount of Rs.254,904/- alleged to have been made without any work having

been done on the site, and those found responsible should be proceeded against under the Efficiency and Discipline Rules. The para was kept pending.

26-4-2001: The Department explained that as per directive of the Committee dated January 27, 2001 the case for initiating disciplinary proceedings against the officers/ officials had been referred to the Administrative Department on February 15, 2001.

The Committee directed the Department to expedite the finalisation of the proceedings. The para was kept pending.

1-10-2001: The Department explained that the inquiry report had been received and was being examined by Administrative Department. The para was kept pending.

1-11-2001: The para was considered with reference to the minutes of the meeting of PAC held on October 1, 2001.

The Department explained that the inquiry report had been submitted to Government for final action and the personal hearing was held on October 29, 2001.

The **para was kept pending** with the direction that the Department should finalize action expeditiously.

5. Para I-B-1: Page 200; Excess Payments (at Higher Rates) Rs.126,731/-

25-4-2001: Audit reported that the directions contained in the Technical Sanction Estimate regarding ascertaining strata to yield water for percolation well were not complied with and later on higher Non Schedule rate was got approved and copy of the analysis of rate was not endorsed to the Standing Rates Committee.

The Committee directed the Department that an inquiry may be conducted into the irregularity pointed out by Audit, to fix responsibility and take necessary action warranted by law/rules. The Committee further directed that the terms of reference of the inquiry should be got approved by Audit and the inquiry be completed within one month. The para was kept pending.

8-8-2001: The Department had not completed the action as per direction of the Committee dated April 25, 2001. The Administrative Secretary committed that the action would be completed by September 20, 2001 and reported to the PAC Secretariat. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Administrative Secretary stated that action had been initiated against delinquent officer under the Punjab Removal from Service (Special Powers) Ordinance, 2000. The Committee advised the Department to check up whether any other officials were also involved in the case.

The **para was kept pending** with the direction that the Department may complete the disciplinary action expeditiously.

6. Para I-B-2: Page 201; Payments At Higher Rates-Rs.51,610/-

25-4-2001: The Committee observed that this Para was related to Para 1-B-1 and directed

that same direction would apply to this Para. The Para was kept pending.

8-8-2001: The Department had not completed the action as per direction of the Committee dated April 25, 2001. The Administrative Secretary committed that the action would be completed by September 20, 2001 and reported to the PAC Secretariat. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Administrative Secretary stated that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been initiated against the delinquent officer.

The **para was kept pending** with the direction that the Department may complete the disciplinary action expeditiously.

7. Para I-B-3: Page 201; Payments At Higher Rates-Rs.75,000/-

25-4-2001: Audit reported that the Department had purchased a level set for rupees one lac against the market price of Rs.25,000/- without giving its full specification in the TS estimate. Audit alleged that the Sister Division had purchased the said Level Set for Rs.25,000/-.

The Committee directed the Department to hold an inquiry into the irregularity pointed out by Audit, fix responsibility and take necessary action as warranted by law/rules within one month. The para was kept pending.

8-8-2001: The Department had not completed the action as per direction of the Committee dated April 25, 2001. The Administrative Secretary committed that the action would be completed by 20 September 2001 and reported to the PAC Secretariat. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Administrative Secretary stated that show cause notice had been issued to Mian Muhammad Ashraf, Ex-Chief Engineer and his reply was under process.

The **para was kept pending** with the direction that the Department may complete action expeditiously.

8. Para I-B-4: Page 202; Payments At Higher Rates-Rs.64,815/-

25-4-2001: The Department explained that necessary approval of analysis of Non Schedule rates had been accorded by the competent authority.

The Committee directed the Department that the case may be referred to the Standing Rate Committee for its expert opinion/advice and further necessary action should be taken in the light of the report of the said Committee. The para was kept pending.

8-8-2001: The Department explained that as per directive of the Committee dated April 25, 2001, the matter was referred to the Standing Rates Committee on July 19, 2001.

The Committee observed that PAC direction had been taken lightly by the Department. The Committee reviewed its previous decision and desired that the amount of excess payment, as per Audit observation, should be recovered without further loss of time. The para was kept

pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Administrative Secretary stated that disciplinary action against the defaulting officers/officials was underway.

The **para was kept pending** with the direction that the Department may complete action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 expeditiously.

9. Para I-B-5: Page 202; Payments At Higher Rates-Rs. 277,271/-

25-4-2001: The Department admitted that 'B' class pipe was changed into 'C' class pipe without approval of the competent authority to grant revised Administrative Approval and subsequent revised technical sanction.

The Committee directed the Department to hold an inquiry, into the irregularity pointed out by Audit, fix responsibility, and take action as warranted by law/rules. The para was kept pending.

8-8-2001: The Department had not completed the action as per direction of PAC dated 25 April 2001. The Administrative Secretary committed that action would be completed by 20 September 2001. The Committee desired that action should also be taken against those who were responsible for the delay. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department stated that in compliance of PAC direction a show cause notice had been issued to a retired officer under the Pension Rules, and an inquiry officer had been appointed in the case of another officer.

The **para was kept pending** with the direction that the Department may complete the disciplinary action expeditiously.

10. Para I-C-1: Page 203; Payments of Excessive Quantities-Rs.145,739/-

25-4-2001: The Department admitted that the Executive Engineer was competent to award work costing upto Rs.50,000/-, but in this case he initially awarded work costing Rs.38,000/- and later on enhanced it to Rs.2.00 lac for which he was not empowered.

The Committee directed the Department to hold an inquiry into the irregularity pointed out in this para, fix responsibility and take action against the officers at fault as warranted by law/rules. The para was kept pending.

8-8-2001: The Department had not completed the action as per direction of PAC dated April 25, 2001. The Administrative Secretary committed that action would be completed by 20 September 2001. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Administrative Secretary stated that show cause notice had been issued to the

defaulting officer.

The **para was kept pending** with the direction that the Department may complete action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 expeditiously.

11. Para I-C-2: Page 204; Payments of Excessive Quantities-Rs.135,470/-

25-4-2001: The Department admitted that tender was accepted before Technical sanction.

The Committee directed the Department to hold an inquiry into the irregularity, fix responsibility and take action against the officers at fault as warranted under the law/rules. The para was kept pending.

8-8-2001: The Department had not completed the action as per direction of PAC dated April 25, 2001. The Administrative Secretary committed that action would be completed by 20 September 2001. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department quoted a precedent under which a similar irregularity had been condoned by the Committee and the para settled on August 7, 2001. The Committee reiterated its earlier decision dated August 8, 2001 and kept the para pending with the direction that the Department should present each case on its own merits and circumstances as the facts in each case were not always identical. The Department was also advised to produce record to Audit for examination. **The para was kept pending.**

12. Para I-C-4: Page 205; Payment of Excessive Quantities Rs.300,131/-

26-4-2001: The Department admitted that the scope of work had been enhanced which needed revised Administrative Approval.

The Department was directed to hold enquiry and take disciplinary action against the officers as warranted by law/rules. The Department was further directed to obtain revised Administrative Approval. The para was kept pending.

1-10-2001: The Department explained that the inquiry in this case had been completed but the final decision had not yet been taken. Moreover, the revision of Administrative Approval and Technical Sanction was still in process.

The Department was directed to finalize action expeditiously. The para was kept pending.

1-11-2001: The para was considered with reference to the minutes of meeting held on October 1, 2001.

The Department explained that the Inquiry Report had been submitted to Government, the revised estimate had been submitted to the Competent Authority, and the matter was being pursued.

The Committee observed that the Department had failed to show tangible progress in

this matter since the directive of PAC dated April 26, 2001.

The **para was kept pending** with direction that the Department may finalize action expeditiously.

13. Para I-E-1: Page 206; Payments without Provisions-Rs.61,215/-

25-4-2001: The Department admitted that donkey labour was not provided in the agreement and the payment made on this account was unjustified.

The Committee directed the Department to hold an inquiry into the irregularity, fix responsibility, and take disciplinary action against the officers at fault as warranted by the law/rules. The para was kept pending.

8-8-2001: The Department had not completed the action as per direction of the Committee dated April 25, 2001. The Administrative Secretary committed that the action would be completed by September 20, 2001 and reported to the PAC Secretariat. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department explained that a show cause notice had been issued to the defaulting officer under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The **para was kept pending** with the direction that the Department may complete the requisite action expeditiously.

14. Para I-F-2: Page 206; Excessive Measurements-Rs.58.054/-

25-4-2001: The Department explained that inquiry had already been ordered into the irregularity pointed out in the para vide order dated April 25, 2001.

The Committee directed the Department that the inquiry should be completed expeditiously, and necessary action be taken as warranted by law/rules. The para was kept pending.

8-8-2001: The Department had not completed the action as per direction of the Committee dated April 25, 2001. The Administrative Secretary committed that the action would be completed by 20 September 2001 and reported to the PAC Secretariat. The para was kept pending.

31-10-2001: The Administrative Secretary stated that a show cause notice had been issued to the defaulting officer under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The **para was kept pending** with direction that the Department may complete the disciplinary action expeditiously.

15. Para II-A-1: Page 210; In Excess/without Deposits-Rs.36,128,436/-.

25-4-2001: The Department explained that a preliminary inquiry had been conducted and the officers found responsible for executing the work without deposit had been asked to effect recovery of the amount from the local bodies. The Committee directed the Department that the

officers at fault should be proceeded against under the law/rules and the matter of recovery of the requisite amounts from the local bodies concerned should be taken up at higher level. The para was kept pending.

8-8-2001: The Department explained that in the Departmental inquiry, Superintending Engineer, Executive Engineer, Sub Divisional Officer and Divisional Accountant had been held responsible for the irregularities pointed out in this para. The case for action against Superintending Engineer, Executive Engineer and Sub Divisional Officer had been referred to Government, and the case for taking action against the Divisional Accountant, would be sent to Director General, Audit Works. The para was kept pending.

31-10-2001: The Department stated that action had been initiated against the defaulting officer under the Punjab Removal from Service (Special Powers) Ordinance, 2000. The Department was directed to furnish to the PAC Secretariat total outstanding amount of this formation and the recovery made so far, for the information of the Committee.

The **para was kept pending** with the direction that the Department may complete the requisite action expeditiously.

16. Para II-A-2: Page 211; In Excess/Without Deposits Rs.27,399,011/-

26-4-2001: The Department explained that recovery from the local bodies was being pursued. Moreover, action against the officers for incurrence of expenditure without deposit or in excess of deposit was under process.

The Committee directed the Department to finalise action as warranted by law/rules. The para was kept pending.

1-10-2001: The Department explained that the officers involved in the case had been identified and a probe was under way to apportion the extent of their responsibility before initiating disciplinary action against them.

The Committee suggested that the matter of recoveries from the local bodies should be decided at the Secretaries level meeting for effecting recovery and, if necessary Finance Department may be approached for deduction at source. The para was kept pending.

1-11-2001: The para was considered with reference to the minutes of meeting of PAC held on October 1, 2001.

The Department explained that the officers involved had been charge sheeted.

The Committee observed that the Department had failed to show tangible progress in this matter since the directive of PAC dated April 26, 2001.

The para was kept pending with the direction that the Department may apportion the extent of liability of each officer involved in this case and finalize action expeditiously.

17. Para II-A-3: Page 211; In Excess/Without Deposits Rs.641,719/-

26-4-2001: The Department explained that the record needed to be reconciled and verified by Audit for ascertaining the outstanding amount and its recovery. The para was accordingly kept pending.

1-10-2001: The para was kept pending with the direction that credit certificate should be produced to Audit.

1-11-2001: The para was considered with reference to the minutes of the meeting of PAC held on October 1, 2001.

Audit pointed out that the Department had failed to produce the entire record. The Committee observed that the Department had failed to show tangible progress in the matter since its directive dated April 26, 2001.

The **para was kept pending** with the direction that the Department should produce the requisite record to Audit for verification without further loss of time and finalize action expeditiously.

18. Para II-A-4: Page 212; In Excess/Without Deposits Rs.14,469,937/-

27-1-2001: Audit had pointed out that the Department had executed deposit works, without having received advance payment of Rs.14,469,937/- from the local bodies concerned. The Department explained that some amount had been recovered from the Municipal Committees and efforts were being made to recover the remaining amount.

The Finance Department and Audit apprised the Committee that the officers who executed the works were not competent to start the deposit work without receiving advance payment. Moreover, the said officers had drawn amounts from the Government treasury without any budgetary allocation.

The Committee directed the Department to hold an inquiry to determine the persons responsible for—

- (i) executing the deposit works without advance payment; and
- (ii) making un-authorized expenditure from Government treasury.

The Committee further directed that the persons found responsible for the above mentioned financial irregularities, should be proceeded against under the Efficiency and Discipline Rules. The para was kept pending.

26-4-2001: The Department explained that as per directive of the Committee dated January 27, 2001, instructions had been issued for holding an inquiry for incurrance of expenditure in excess of deposit. Moreover, Finance Department was being moved for recovery of the amount at source from the concerned Municipal Committees. The para was kept pending.

1-10-2001: The Department explained that the relevant record had been destroyed by termite and lost. The Department further stated that disciplinary action against the defaulter was in process and Government had been moved for recovery of the dues from the local bodies at source.

The Department was directed to finalize action expeditiously. The para was kept pending.

1-11-2001: The para was considered with reference to the minutes of meeting of PAC held on October 1, 2001.

The Department explained that action had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000 against the defaulters. The Department stated that the Government had also been requested to affect recovery from the share of UIP tax of

respective Municipal/Town Committees at source.

The Finance Department opined that the amount should be recovered from those Officers who were responsible for incurring expenditure beyond authorization or deposits and from the persons by whose negligence the record was damaged by termites.

The Committee directed the Administrative Secretary to take action against the persons responsible (including the Divisional Accountant) for incurring extra expenditure and against those who did not care to protect the record from being damaged by termites.

The **para was kept pending** with the following observations/directives:-

(i) the Committee observed that the Department had failed to show tangible progress on its directive dated April 26, 2001.

(ii) the Department was directed to finalize action expeditiously.

19. Para II-A-5: Page 212; In Excess/Without Deposits Rs.2,750,350/-

26-4-2001: Audit had reported that Department failed to recover Rs.2.7 million from certain local bodies in connection with the expenditure incurred without deposit or in excess of deposit.

The Department explained that the Draft Para comprised of 4 Advance Paras. In one Advance Para Rs.55,000/- are recoverable and recovery was being pursued. In other 3 cases the amounts stood cleared and needed verification by Audit. The para was kept pending for recovery and verification by Audit.

1-10-2001: The Department explained that the relevant record had been destroyed by termite and lost. Action against the defaulters was in process and Government had been moved for recovery of Government dues from the local bodies concerned.

The Department was directed to finalize action expeditiously. The para was kept pending.

1-11-2001: The para was considered with reference to directive of PAC dated October 1, 2001.

The Committee directed that action should be taken on the same lines as for para II-A-4. **The para was kept pending.**

20. Para II-B-2: Page 213; Non-recovery of Secured Advance Rs.206,437/-

25-4-2001: The Department explained that the final bill of the Contractor after adjustment of the secured advance was minus Rs.23,550/-. The Committee observed that from the minus bill, it could be presumed that the secured advance had been paid without existence of the material at site. The Committee directed the Department that an inquiry should be held to fix responsibility for payment of secured advance without ascertaining the existence of material at site, and to recover the amount from the officer at fault. The para was kept pending.

8-8-2001: The Department explained that as per directive of the Committee dated April 26, 2001, an inquiry into the matter was ordered on April 28, 2001.

The Committee directed the Department that the recovery should be made from the officers who actually made payments of the secured advance without the existence of material-

at-site and they should also be proceeded against under Punjab Removal from Service (Special Powers) Ordinance 2000. The Department was directed to complete recovery and action by 20 September, 2001. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Administrative Secretary stated that action against the accused officer had been initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000. The Committee suggested that suitable action should also be taken against the Divisional Accountant and the 4th refund bill of this case should be got verified by Audit.

The **para was kept pending** with the direction that the Department may complete all the necessary actions expeditiously.

21. Para II-B-4: Page 214; Non-recovery of Secured Advance Rs.286,294/-

25-4-2001: The Department explained that recovery adjustment of secured advance of Rs.286,294/- had been made. The Committee directed the Department that the recovery adjustment of secured advance may be got verified by Audit. The Committee further directed that disciplinary action should also be taken against the officers responsible for making payment of secured advance without existence of material at site and not deducting the same from subsequent bills. The para was kept pending.

8-8-2001: The Department had not completed the action as per direction of the Committee dated April 25, 2001. The Administrative Secretary committed that the action would be completed by 20 September 2001 and reported to the PAC Secretariat. The para was kept pending.

31-10-2001: The Administrative Secretary stated that amount of secured advance had been recovered and got verified. Action against the officers at fault was underway.

The **para was kept pending** with the direction that the record of final adjustment be produced to Audit without delay.

22. Para II-C-1: Page 215; Non Closing of Manufacture Accounts Rs.347,372/-

25-4-2001: The Department explained that the actual amount involved in the para was Rs.315,131/- and the same had been adjusted. The Committee settled the para subject to verification by Audit.

31-10-2001: Audit pointed out that the Department had not produced the record to Audit for verification.

The Committee observed that the para was settled on April 25 & 26, 2001, subject to verification of record but the Department had failed to comply with the PAC directive.

The Administrative Secretary committed that the relevant record will be produced to Audit for verification within one month. The Committee suggested that the Department might consider initiating disciplinary action against the officer responsible for delay in this case. **The para was kept pending.**

23. Para III-A-1: Page 216; Acceptance of Tenders at Higher Rates Rs.186,525/-

25-4-2001: The Department admitted Audit observation that the XEN was not competent

to approve non-schedule rates.

The Committee directed the Department to hold an inquiry, fix responsibility and take action as warranted by the law/rules. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Administrative Secretary stated that inquiry against the defaulting officer had been initiated.

The para was kept pending with the direction that action be completed under the Punjab Removal from Service (Special Powers) Ordinance, 2000 expeditiously.

24. Para III-A-2: Page 217; Acceptance of Tenders at Higher Rates Rs.306,813/-

25-4-2001: The Department admitted Audit observation that tender beyond 4.5% over Technical Sanction could not be accepted.

The Committee directed the Department that an inquiry should be held to fix responsibility and take action against the officer at fault, as warranted under law/rules. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Administrative Secretary stated that a show cause notice had been issued to the officer at fault.

The para was kept pending with the direction that the Department may complete action under the Pension Rules or the Punjab Removal from Service (Special Powers) Ordinance, 2000 expeditiously.

25. Para III-A-3: Page 217; Acceptance of Tenders at Higher Rates-Rs.277,820/-

25-4-2001: The Department admitted that the accepted bid was 24.57% above the estimated cost of work against the permissible ceiling of 4.5%.

The Committee directed the Department to hold an inquiry to fix responsibility and take action against the officer at fault as warranted by law/rules. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Administrative Secretary stated that a show cause notice had been issued to the officer at fault.

The para was kept pending with the direction that action under the Pension Rules or the Punjab Removal from Service (Special Powers) Ordinance, 2000 be completed expeditiously.

26. Para III-A-4: Page 218; Acceptance of tenders at higher rates-Rs.55,375/-

25-4-2001: The Department admitted that the accepted tender was 4.98% above the Estimated Cost against the permissible ceiling of 4.5%.

The Committee directed the Department to hold an inquiry to fix responsibility and take action against the officers at fault as warranted under the law/rules. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Administrative Secretary stated that a show cause notice had been issued to the defaulting (retired) officers and that their replies were under consideration.

The **para was kept pending** with the direction that the Department may complete the requisite action expeditiously.

27. Para III-A-5: Page 219; Acceptance of Tenders at Higher Rates Rs.100,520/-

25-4-2001: The Department admitted that accepted tender was 23.58% above the Estimated cost against the permissible limit of 4.5%.

The Committee directed that an inquiry may be held to fix responsibility and to take action against the officers at fault as warranted under the law/rules. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department explained that action against the defaulting officer had been initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The **para was kept pending** with the direction that the Department may complete the action expeditiously.

28. Para III-A-6: Page 219; Acceptance of Tender at Higher Rates Rs.99,248/-

25-4-2001: The Department admitted that the accepted tender was 14.82% above the estimated cost as against the permissible ceiling of 4.5%.

The Committee directed the Department to hold an inquiry to fix responsibility and take action against the officers at fault as warranted by law/rules. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department explained that show cause notice had been issued to the officer at fault.

The **para was kept pending** with the direction that the Department may complete action expeditiously.

29. Para III-A-7: Page 220; Acceptance of Tender at Higher Rates-Rs.138,263/-

25-4-2001: The Department admitted Audit observation contained in this Para.

The Committee directed that an inquiry may be held to fix responsibility and take action against the officers at fault as warranted by the law/rules. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department explained that show cause notices had been issued to the officers at fault and their replies were under consideration.

The **para was kept pending** with the direction that the Department may produce inquiry report to Audit and complete action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 expeditiously.

30. Para III-A-10: Page 222; Acceptance of Tenders at Higher Rates Rs.138,890/-

26-4-2001: The Department explained that in fact the rates approved by the Superintending Engineer resulted in saving by 3.39% according to the premium enhanced by the Chief Engineer. However revised Administrative Approval was needed which was in process.

The Committee directed that revised Administrative Approval be obtained and shown to Audit. The para was kept pending.

1-10-2001: The Department explained that case for revision of Administrative Approval had been referred to the competent authority.

The Department was directed to finalize action expeditiously. The para was kept pending.

1-11-2001: The para was considered with reference to directive of PAC dated October 1, 2001.

The Committee observed that the Department had failed to show tangible progress in obtaining Administrative Approval in compliance with the directive of PAC dated April 26, 2001.

The **para was kept pending** with the direction that the Department may take action expeditiously.

31. Para III-A-11: Page 222; Acceptance of Rates At Higher Rates Rs.125,906/-

26-4-2001: The Committee observed that this Para was identical in nature to Para III-A-10 and the same directions shall apply to this Para.

1-10-2001: The Department explained that the case for revision of Administrative Approval had been sent to the competent authority.

The Department was directed to finalize action expeditiously. The para was kept pending.

1-11-2001: The para was considered with reference to the directive of PAC dated October 1, 2001. The Committee observed that the Department had failed to obtain Administrative Approval in compliance with the directive of PAC dated April 26, 2001.

The para was kept pending with the direction that the Department may expedite action.

32. Para III-D-1: Page 224; Adoption of Higher Premium Rs.84,539/-

26-4-2001: The Department admitted that the revised Administrative approval should have been obtained before according technical sanction in this case.

The Committee directed that the matter may be got regularised by the Competent authority. The Committee further directed that action should be taken against the officers who violated the Government instructions. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department explained that show cause notices had been issued to the (retired) accused officers.

The para was kept pending with the direction that the Department may complete the

action expeditiously.

33. Para III-E-I: Page 225; Unauthorised Acceptance of Tenders Rs.3,809,100/-

26-4-2001: The Department admitted that the scope of work had been enhanced without approval. Disciplinary action against the officer concerned was being initiated. Moreover, Finance Department would be moved for regularisation of splitting. The Committee directed the Department to finalise the action as warranted by law/rules. The para was kept pending.

1-10-2001: The Department explained that disciplinary proceedings against the defaulter under the Punjab Removal from Service (Special Powers) Ordinance, 2000 were in process.

The Department was directed to expedite action expeditiously. The para was kept pending.

1-11-2001: The para was considered with reference to directive of PAC dated October 1, 2001.

The Department explained that inquiry had been initiated. The **para was kept pending** with the direction that the Department may finalize action expeditiously.

34. Para III-F-1: Page 226; Award of Work without Technical Sanction Rs.1,613,013/-

26-4-2001: The Department admitted that the work had been allotted without Technical sanction and case for initiating disciplinary action against the officer concerned had been referred to Administrative Department.

The Department was directed to finalize the action as warranted by law and rules. The para was kept pending.

1-10-2001: The Department explained that disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 against the defaulters was in progress.

The Department was directed to finalize action expeditiously. The para was kept pending.

1-11-2001: The para was considered with reference to PAC directive dated October 1, 2001.

The Department explained that the Inquiry had been initiated.

The **para was kept pending** with the direction that the Department may finalize action expeditiously.

35. Para IV-A-1: Page 227; Payment without Provision Rs.239,466/-

26-4-2001: The Department admitted that the work was allotted before the technical sanction. However payment had been made according to actual work done.

The Committee directed that the required record may be produced to Audit for verification. The Committee further directed that action should be taken against the officers for violating the Government instructions. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Committee reiterated its previous directives of April 25 & 26, 2001 and the **para was kept pending**.

36. Para IV-A-4: Page 228; Payments Without Provisions Rs.310,881/-

26-4-2001: Audit reported that a formation executed the item of brick soling in streets which was not provided in Administrative Approval and technically sanctioned estimate.

The Department explained that revised Technical sanction had since been issued.

The Committee directed that revised Administrative Approval should also be obtained. The Committee further directed that enquiry should be held and disciplinary action be taken against the officers responsible for this irregularity as warranted by the law or rules. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department explained that show cause notices had been issued to the officers at fault.

The **para was kept pending** with the direction that the Department may complete the action expeditiously.

37. Para IV-B-1: Page 228; Enhancement of agreements Rs.34,120/-

26-4-2001: The Department admitted that the accepted tender was 14.3% above the estimate cost against the permissible ceiling of 4.5%.

The Committee directed that action should be taken against the officers responsible for the irregularity, as warranted by the law/rules. The Committee further directed that action should also be taken against the officers responsible for delaying action on decision of Departmental Accounts Committee given in December, 1996. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department explained that in compliance with the PAC directive dated April 26, 2001, show cause notices had been issued to Ch Muhammad Siddique SE (Retd), Zafar ul Hassan and Rao Muhammad Idrees XEN on August 29, 2001.

The **para was kept pending** with the direction that the Department may complete the action expeditiously.

38. Para IV-B-2: Page 229; Enhancement of Agreement Rs.884,289/-

26-4-2001: The Department explained that the action to hold inquiry to determine the irregularity was underway.

The Department was directed to finalise the inquiry expeditiously and to take action as warranted under the law/rules. The para was kept pending.

1-10-2001: The Department explained that disciplinary action had been initiated against the responsible officer/official under the Punjab Removal from Service (Special Powers) Ordinance 2000 and the proceedings were in progress.

The Department was directed to expedite action expeditiously. The para was kept pending.

1-11-2001: The para was considered with reference to PAC directive dated October 1,

2001.

The Department explained that the inquiry had been initiated.

The **para was kept pending** with the direction that the Department may finalize action expeditiously.

39. Para IV-E-1: Page 232; Payment from work Contingency-Rs.52,500/-

26-4-2001: Audit reported that a vehicle costing Rs.52,500/- had been purchased from the contingencies of works in contravention of the rules.

The Department explained that later on allocation was received from Finance Department under Grant 10 General Administration.

The Committee directed that all the record should be produced to Audit and factual position be explained in the revised Working Paper, with Audit comments. The para was kept pending.

31-10-2001: The Department explained that a car for the Minister was purchased by using the amount out of contingencies.

The Department further explained that the approval of Chief Minister was obtained for purchase of a car for the Minister out of the Grant 10-GA.

The Committee directed the Department to fix responsibility and initiate disciplinary action for misusing the contingencies and its diversion from individual projects for the purchase of a car for the Minister and for using the said contingencies for maintenance of the Minister's car. **The para was kept pending.**

40. Para IV-F-1: Page 232; Expenditure in Excess of Revised Administrative Approval-Rs.316,400/-

26-4-2001: Audit had reported that an excess expenditure of Rs.316,400/- had been incurred against approved amended estimate for Rs.24.83 lac, which was against the Rules.

The Department explained that 15% excess expenditure over the amount of Amended Administrative Approval was permissible. However, as per requirement of Audit the matter had been referred to Chief Engineer for condonation.

The Committee directed the Department that an inquiry should be held to ascertain the facts and correct application of the relevant rules. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001 and August 8, 2001.

The Department stated that show cause notices had been issued to the officers at fault.

The **para was kept pending** with the direction that the Department may complete the action expeditiously.

41. Para IV-G-1: Page 233; Payment against Financial Rules-Rs.104,386/-

26-4-2001: The Department explained that an inquiry had been ordered in the case on January 17, 2001.

The Committee directed that the inquiry be finalized expeditiously, and action taken under the law and rules. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April

24-25 & 26, 2001 and August 8, 2001.

The Department was directed to produce hand receipts to Audit along with the rules about their admissibility for verification. During discussion the Committee felt that the inquiry officer in this case had not dealt with the basic point raised in Audit para. **The para was kept pending.**

42. Para IV-H-I: Page 233; Expenditure in Excess of Budget/Deposits Rs.5,054,869/-

26-4-2001: The Department explained that this Draft Para comprised of 2 Advance Paras. In one part only verification of Audit was needed, while in other part an inquiry and disciplinary action was required.

The Committee directed the Department to take action as warranted by the law/rules. The para was kept pending.

1-10-2001: The Department explained that disciplinary action had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000 against the defaulters. The Department further explained that the Government had also been requested for effecting the recovery from share of UIP tax of respective Municipal Town Committees at source.

The Department was directed to finalize action expeditiously. The para was kept pending.

1-11-2001: The para was considered with reference to directive of PAC dated October 1, 2001.

The **para was kept pending** with the direction that the Department may finalize action expeditiously on the same lines as for para II-A-4.

43. Para V-1: Page 234; Blockade of Government Money Rs.2,159,800/-

26-4-2001: The Department explained that the material had since been consumed or disposed off. After verification amount would be reduced. However responsibility would be fixed for un-necessary purchases and action taken against the officers at fault.

The Committee directed the Department to finalise action as warranted by law/rules. The para was kept pending.

1-10-2001: The Department explained that Audit had reduced the amount of the para to Rs.686,371/- and the record of this balance amount would be got verified by Audit and efforts were being made to dispose of unserviceable/surplus stores.

The Department was reminded to finalize action against the persons responsible for unnecessary purchase. The para was kept pending.

1-11-2001: The para was considered with reference to direction of PAC dated October 1, 2001.

The Department explained that efforts were being made to dispose of surplus/ unserviceable items of stock after observing codal formalities. It was further stated that the persons at fault had been charge sheeted.

Audit pointed out that the stock items were either not existing physically or not serviceable.

The Committee observed that irregularity was committed by giving cash to the

contractor instead of material and the material was purchased unnecessarily in violation of the Punjab Financial Rules.

The **para was kept pending** with the direction that the Department may finalize action expeditiously.

44. Para V-2: Page 235; Blockade of Government Money Rs.1,871,736/-

26-4-2001: The Department explained that the material had since been consumed or disposed of. After verification amount would be reduced. However responsibility would be fixed for un-necessary purchases and action taken against the officers at fault.

The Committee directed the Department to finalise action as warranted by law/rules. The para was kept pending.

1-10-2001: The Department explained that disciplinary proceedings against the defaulters were in progress. The para was kept pending.

It was observed that the Department had given incorrect number to this para and had not reproduced the text of the Para correctly. The Department was directed to ensure accuracy in the Working Paper.

1-11-2001: The para was considered with reference to PAC directive dated October 1, 2001.

The para was kept pending with the direction that the Department may finalize action expeditiously.

Annexure Paras

45. Para II(3)(86-87): Page 381; Serial 5, Non-recovery of Rs.256,719/-

26-4-2001: The Committee directed that the balance recovery of Rs.138,000/- be made within 3 months. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001.

The Department explained that show cause notices had been issued to the accused officers.

The para was kept pending with the direction that the Department may complete the action expeditiously.

46. Para II(1)(1987-88): Page 382; Serial 10, Non Recovery of Rs.37,600/-

26-4-2001: The Committee directed that the previous PAC directive dated March 17, 1993 should be implemented. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001.

The Department explained that the matter has been taken up with Tehsildar Chak Jhumra, (Faisalabad) for recovery.

It was also stated that show cause notices had been issued to the defaulting officers but no progress about recovery had been reported so far.

The Committee directed the Department to pursue the matter vigorously, and action

should be taken against the officers/officials who did not pursue the matter after issuance of warrant of *qurqi* in 1994.

The **para was kept pending** with the direction that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 may be completed expeditiously.

47. Para II(3)(1987-88): Page 382; Serial 11, Non-recovery of Rs.207,956/-

26-4-2001: The Committee directed that the balance recovery of Rs.168,244/- be made within 3 months. The para was kept pending.

31-10-2001: The para was considered with reference to directives of the PAC dated April 24-25 & 26, 2001.

The Department explained that show cause notice had been issued to the accused (retired) officer. His reply had been received and was under process. In the case of the other accused officer, action was being initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The **para was kept pending** with the direction that the Department may complete the action expeditiously.

Housing and Physical Planning

48. Para I-C-1: Page 241; Payment of Excessive Quantities Rs.1,330,827/-

26-1-2001: Audit had reported that the Department allowed excess lead of earth work against the provision of sanctioned estimate which resulted into excess payment of Rs. 1,330,827 to the contractor.

The Department explained that payment on account of additional lead of earth work had been duly sanctioned by the Director, Housing & Physical Planning. Audit, however, contended that the sanctioned estimate became part of the contract agreement and payment made on account of lead in excess of that provided in the contract agreement was irregular.

After detailed discussions, the Committee directed that the excess payment should be recovered within six months and the Administrative Department should inquire and decide from whom the recovery was to be made. The para was kept pending.

26-4-2001: The para was kept pending till recovery of the full amount involved and its verification by Audit.

7-8-2001: The para was considered with reference to the *ad hoc* PAC directive dated April 26, 2001. The Department explained that the process of the recovery from the contractor had been stayed by the Civil Court and the enquiry against the responsible persons under the Punjab Removal from Service (Special Powers) Ordinance, 2000, was under progress.

The Committee directed that enquiry should be completed within one month. Moreover, court case should be pursued, and effort should be made to get the stay vacated. The para was kept pending.

1-10-2001: The para was considered in the light of minutes of the meeting held on August 7, 2001. The Department explained that the report of the inquiry had been received.

It was observed that according to para 6 and 7 of the Inquiry Report the Planning and Development Board, while considering the revised estimates in the meeting of PDWP held on

August 10, 1987 decided to delete the lead of 4 miles adopted for earth work on the roads.

The Department was directed to determine the amount of excess payment duly verified by Audit and recover the same. The para was kept pending.

1-11-2001: The para was considered with reference to directive of PAC dated October 1, 2001.

The Department explained that the court case would be taken up November 14, 2001 and if the stay is vacated by court, then the amount would be adjusted. It was further stated that the amount of the para had been reduced to Rs.422,316/- after verification of record by Audit.

The **para was kept pending** with the direction that the Department may finalize action expeditiously.

49. Para I-E-1: Page 242; Payment of Deleted Work Rs.88,439/-

26-1-2001: The Department explained that the item of work in question was included in the revised Administrative Approval which was pending for approval in the Planning & Development Department. The para was kept pending.

26-4-2001: The Department explained that the para was pending for want of approval of PC-I by Planning & Development Department, which was awaited. The para was kept pending.

7-8-2001: The Department explained that as per direction of the *ad hoc* PAC dated April 26, 2001, a reference to the Planning & Development Department had been made and the reply was still awaited.

The Committee directed the Department to inform the Planning & Development Department that the para was pending before the PAC and therefore the case should be decided at the earliest. The para was kept pending.

1-10-2001: The Department explained that the case for revision of PC-I had been referred to Planning & Development Department.

The Committee directed that decision of the Planning & Development Department should be got expedited. The para was kept pending.

1-11-2001: The para was considered with reference to the PAC directive dated October 1, 2001.

The Department explained that the Planning & Development Department had been requested to expedite this case.

The **para was kept pending** with the direction that the Department may finalize action expeditiously.

50. Para IV-B-1: Page 249; Un-authorized Expenditure of Rs.717,458/-

27-1-2001: The Department explained that expenditure on the schemes had been incurred in accordance with the allocation made by the P&D Department and releases made by the Finance Department. All the schemes had since been completed and cases for revised ex post facto approval have been submitted to the higher authority.

The para was kept pending for verification by Audit, of revised ex post facto approval made by the competent authority.

26-4-2001: The Committee re-iterated its previous direction dated January 27, 2001. The para was kept pending.

7-8-2001: The Department requested that the para may be kept pending till revised approval of the scheme was given by the competent authority. The para was accordingly kept pending.

1-10-2001: The Department explained that the case for revision of PC-I had been referred to Planning & Development Department. The Committee directed that the decision of that Department should be expedited. The para was kept pending.

1-11-2001: The para was considered with reference to directive of PAC dated October 1, 2001

The Department explained that Planning & Development Department had been requested to expedite the case.

The **para was kept pending** with the direction that the Department may finalize action expeditiously.

Lahore Development Authority

51. Para II-3: Page 271; Non-recovery of Advances Rs.132,670/-

28-4-2001: The Department was directed that the stated recovery of Rs.81,751/- should be got verified by Audit and the outstanding recovery of Rs.50,918/- be expedited. The para was kept pending.

9-8-2001: The Department explained that as per direction of the PAC dated April 28, 2001, the matter for adjustment of outstanding recovery of Rs.50,918/- was being pursued with the AG Punjab. The para was kept pending.

1-10-2001: Audit had verified the recovery of Rs.71,629/- leaving a balance of Rs.61,041/-.

The Department explained that the said amount was recoverable from six officers and efforts were being made to recover the amount.

The Department was directed to finalize action/recovery expeditiously. The para was kept pending.

31-10-2001: The Department explained that out of six officers, one officer had deposited the amount of Rs.6,980/- due against him and efforts were being made to recover the balance amount from others.

The **para was kept pending** with the direction that the Department should pursue the recovery and the Finance Department to monitor the same.

Working Paper not submitted

1. Para 74(I)1971-72: Page 381; Serial 2,

Shortage of store-Rs.5,276/-

2. Para 119 (1972-73): Page 381; Serial 3,
Misappropriation of store-Rs.39,009/-

INDUSTRIES AND MINERAL DEVELOPMENT DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
33	12	21	--	--

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 16	Paras finally settled as the requisite action had been taken.	Civil: 16.2	1	427
		Commercial: 3(xiv, xv, xvi, xvii, xix, xx & xxi), 16, 17, 18, 21, 24, 64, 65 & 66	15	427-431
		Works:		
Paras Conditionally Settled 6	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 16.1, 16.3, 16.7 and 16.8	4	432
		Commercial: 20 and 23	2	433
		Works:		
Paras Pended 11	Paras pended as the department was unable to complete the requisite action.	Civil: 16.10	1	434
		Commercial: 3(xviii), 19, 22 and 25	4	434-436
		Works:		
	Paras pended as the Department did not submit the working papers.	Civil: 16.4, 16.5, 16.6, 16.9, 16.11 and 16.12	6	437
Commercial:				
	Works:			

Discussed on 15-16 March, 16 June and 22 September 2001

Paras Finally Settled

(Civil Audit)

1. Para 16.2: Page 267; Embezzlement of Rs.4,013,933/- by Changing the Figures in Office Record/Ledgers

16-6-2001: The Department explained that on the direction of Departmental Accounts Committee, the amounts of the concerned customers were rectified and correct figures of the balance amount were put in the new ledger register from the list of Sundry Creditors attached with the Proforma Accounts for the previous years which had been certified by the Audit Officers.

Audit, however, did not accept the new Ledger Book for various reasons.

The Committee directed that the Department should hold a fact-finding inquiry into the para. The Inquiry Committee should also verify that the constructed record had been prepared in accordance with relevant rules and was as near to the original record as possible. The Department should also obtain the comments of Audit on the inquiry report and submit a revised working paper in the next meeting. The para was kept pending.

22-9-2001: The Department explained that as per directive of the PAC an inquiry was held and it was found that the reconstructed record, in place of the record lost in floods, was as near to the original record as necessary. **The para was settled.**

(Commercial Audit)

1. Para 3(xiv): Page 6; Punjab Government Printing Press, Bahawalpur-Non-submission of Accounts

15-3-2001: Audit reported that accounts for the year 1995-96 and 1996-97 of Government Press Bahawalpur had been submitted to the Audit in 1998. The Committee was not satisfied with the explanation of the Department for delayed submission of accounts of the Press. The para was kept pending with the same directive as given in para 3(xv) in respect of Government Printing Press, Lahore.

16-6-2001: Audit reported that the accounts for the years 1997-98 and 1998-99 had not been received as yet.

The Department stated that all pending accounts would be submitted to Audit within a month. The para was kept pending.

22-9-2001: Audit reported that the Accounts of Government Press Bahawalpur for the year 1997-98 and 1999-2000 had been received. **The para was settled.**

2. Para 3(xv) Page 6; Punjab Government Printing Press, Lahore-Non-Compilation of Accounts

15-3-2001: Audit reported that the accounts of the Press for the years 1995-96 and 1996-97 had been submitted to Audit in 1999.

The Committee was not satisfied with the explanation submitted by the Department for delayed submission of accounts. The Committee directed the Department to submit a detailed

working paper about the affairs and the working of the Press, including proposals for its re-organization and long-term planning for meeting the printing requirements of the Government Departments. The Committee further directed that a copy of the Report/Recommendations of the Institutional Reform Groups should also be provided to the members of the Committee. The para was kept pending.

16-6-2001: Audit reported that Commercial Accounts upto the year 1998-99 had since been received.

As desired by the Committee on 15 and 16 March 2001, the Department submitted proposal for re-organization of the Government Press and the recommendations of the Institutional Reforms Group, about the Government Press.

The Committee was informed that the Institutional Reforms Group had recommended downsizing of the Government Press and converting it into a Corporation. Both the recommendations had since been approved by the Governor. The right-sizing of the Government Press had already been done and draft legislation for converting the Government Press into a Corporation was in process.

The Committee observed that the experience of majority of other Corporations created in the public sector had not been very encouraging. It was necessary that while corporatising the Government Press, careful attention should be given to ensuring that effective mechanisms and regulations were in place to achieve the objective of efficiency and competitiveness. Proper internal checks and evaluation system should be provided in the draft legislation to monitor the performance of the organization in a comprehensive manner. **The para was settled with the above observations.**

3. Para 3(xvi): Page 6; Government Weaving and Finishing Centre, Shahdara, Lahore Non-compilation of Accounts

16-6-2001: The Department stated that the accounts upto the year 1996-97 had been submitted to Commercial Audit.

Audit pointed out that working papers in respect of Weaving Factory Jhang had not yet been submitted. The Department stated that the accounts of the said Institution had been submitted to Audit for comments. **The position was noted and the para was settled.**

4. Para 3(xvii): Page 6; Government Wool Spinning and Weaving Development-cum-Training Centre, Jhang Non Compilation of Accounts

22-9-2001: Audit reported that the accounts of Government Wool Spinning and Weaving Centre Jhang upto the year 1998-99 had since been received. **The para was settled.**

5. Para 3(xix): Page 6; Punjab Small Industries Corporation, Lahore Non Compilation of Accounts

22-9-2001: Audit reported that the accounts of the PSIC for the year 1996-97 had since been received. **The para was settled.**

6. Para 3(xx): Page 6; Non-compilation of Accounts (Punjab Industrial Development Board)

16-6-2001: The Department stated that the accounts for the year 1996-97 had been submitted to Commercial Audit in October 1999 and report thereon had been obtained in May 2001. **The position was noted and the para was settled.**

7. Para 3(xxi): Page 6; Non-compilation of Accounts (Kamalia Sugar Mills Limited, Kamalia)

16-6-2001: The Department stated that the accounts for the year 1996-97 had been submitted to Commercial Audit in March 1999 and report thereon had been obtained in May 2001. **The position was noted and the para was settled.**

8. Para 16: Page 21; Loss of Rs.699,922/- Due to Non recovery of Medical Advance Granted to the Officers Transferred/Retired

15-3-2001: Audit reported that adjustment of the advance of Rs.699,922/- had been verified. **The Committee settled the para.**

9. Para 17 Page 21; Loss of Rs.165,540/- Due to Violation of Orders

16-3-2001: Audit had pointed out that the Corporation paid Sales Tax of Rs.925,600/- for sale of salt made during the period from 18.10.1994 to 31.12.1994, out of which Rs.760,000/- were recovered from the contractors, but the remaining amount of Rs.165,000/- of Sales Tax was borne by the Corporation itself.

The Department explained that rates quoted by the contractors were exclusive of the Sales Tax, while those quoted by petty purchases were inclusive of Sales Tax. The Department produced a letter in which analysis for petty sales had been fixed inclusive of Sales Tax.

Audit, however, pointed out that another letter of the Department bearing same number and date, contained the same rates, without mention of the sales tax and in this way the Department had issued a substituted letter to cover up its negligence and omission of not recovering the Sales Tax from the purchasers.

The Committee directed the Department to make another effort to recover the Sales Tax from the purchasers. Moreover, action should be taken against those responsible for issuing a substituted letter showing the same rate as inclusive of sales tax, after fixing the responsibility through an inquiry. All actions be completed within three months. The para was kept pending.

22-9-2001: The Department explained that as per direction of the Committee dated 16.3.2001 an inquiry was held into the issuance of a substituted letter bearing same number and date, and it was found that no *mala-fide* intention was involved in the issuance of the said letter. During discussion the Committee was informed that there was a practice of issuing such "substituted" letters, bearing same number and date in the Government Departments. The Department explained that the chances of recovery of Sales Tax from the petty purchaser of the coal sold during 1994, were remote as their whereabouts were not known. **The para was dropped.**

10. Para 18: Page 22; Loss of Rs.0.196 Million Due to Shortage of 562 M. Ton Salt

15-3-2001: The Department explained that actual loss of 562 M. ton worked out to 14% of 3912 M.T., remained within the permissible limit of 15% for which price of Rs. 39/- per M. ton had already been charged to the sale price of Rs. 790/- per M. ton. Therefore no loss on account of shortage of salt had occurred. The explanation of the Department was accepted and **the para was settled.**

11. Para 21: Page 24; Loss of Rs.148,223/- Due to Non deduction of Income Tax on the Payment of Freight Charges to the Contractor

16-3-2001: The Department explained that since the payment of carriage was made by the contractor on behalf of PUNJMIN, its reimbursement was not liable to deduction of Income Tax under Section 50(4) of the Income Tax Ordinance, 1979. Audit, however, commented that the payment of freight charges was made to the contractor hence Income Tax was recoverable.

The Committee decided that a thorough inquiry be conducted to ascertain the reasons of non-deduction of Income Tax at source and responsibility be fixed. Recovery may either be made from the contractor or the person held responsible for this irregularity and negligence. The para was kept pending.

22-9-2001: The Department explained that an enquiry was held and it was found that payment to the contractor was made on two accounts i.e. transportation charges and excavation charges. The payment of transportation charges were in fact paid to the truck drivers, through the contractor, on behalf of the buyers, and as such these charges were not liable to deduction of Income Tax at source.

The Committee directed that the Department should refer the case, with full facts and figures, to the Income Tax Department for decision and provide a copy of that reference to the PAC and Audit within one week. With the above direction, **the para was settled.**

12. Para 24: Page 26; Non-recovery of Rs.0.144 Million from Ex-Employees on account of Shortage of Store & Stock

16-3-2001: The Department explained that the shortage of store worth Rs.73,000/- and Rs.71,000/- was detected during the tenures of Mr Saleem Rana and Mr Jahangir, Carpet Superintendents respectively. Mr Saleem Rana died on 31 July 1984, and his dues worked out to Rs.42,853/-, but the whereabouts of his dependents were not known. The services of Mr Jahangir were terminated on 31.7.1983. A case was also got registered against him. However, the Special Judge Anti-Corruption, Rawalpindi acquitted him on 21.1.1992 and the appeal filed by the Department was pending in the Lahore High Court, Rawalpindi Bench, Rawalpindi.

Audit however, pointed out that penalty of recovery was also imposed on Mr Jahangir.

The Committee decided that in the case of Mr Saleem Rana, the Department may seek legal advice regarding recovery of outstanding dues from his property and assets. As to Mr Jahangir, the recovery may be made if there was no direction of the Court to stay recovery from him. The para was kept pending.

22-9-2001: The Department explained that the total amount recoverable from Rana Muhammad Saleem, deceased Superintendent, had been recovered from his Insurance money and the total amount recoverable from Mr Muhammad Jahangir, Ex-Superintendent, had been recovered from his pensionary dues. **The para was settled.**

13. Para 64: Page 49; Pattoki Sugar Mills Limited, Pattoki-Working Results

15-3-2001: The Committee noted the Audit observations and the explanation of the Department and made no comments.

14. Para 65: Page 49; Pattoki Sugar Mills Limited, Pattoki-Working Results

15-3-2001: The Committee noted the Audit observations and the explanation of the Department and made no comments.

15. Para 66: Page 50; Pattoki Sugar Mills Limited, Pattoki-Working Results

15-3-2001: The Committee noted the Audit observations and the explanation of the Department and made no comments.

General Observations/Directives

(1) The Committee observed that the accounts of the Punjab Industrial Development Board had not been submitted to the Committee, and directed that the same should be submitted in the next meeting.

(2) The Committee recommended that the institution of privatization of the industrial units should also be audited by the Auditor-General of Pakistan, to ensure transparency in the process of privatization.

Paras Conditionally Settled (Civil Audit)

1. Para 16.1: Page 267; Non-Disposal of Old and Unserviceable Articles Worth Rs.3,500,000/-

16-6-2001: The Department contended that Audit had over-stated the value of the unserviceable items as Rs.3,500,000/-. The Department had assessed their value as Rs.24,400/-. The case for condemnation of the said articles was under consideration, when this Centre was transferred to Technical and Vocational Training Authority. As the rules of the said Authority had not yet been approved, the disposal of the said articles was pending.

The Committee directed that a Joint Committee of the Department and Audit should re-assess the value of the auctionable articles within a month. The para was kept pending.

22-9-2001: The Department explained that as per direction of the Committee, the joint Committee of the Department and Audit which had been constituted to reassess the value of the unserviceable articles had assessed the same as Rs.52,300/-. The Committee directed that auction should be finalized within 15 days. **The para was settled subject to verification by Audit.**

2. Para 16.3: Page 268; Embezzlement of Rs.320,000/- by Raising Double Debit

16-6-2001: The Department explained that the appeal of the official against the order of dismissal from service and recovery was pending with the Punjab Services Tribunal. The para was kept pending.

22-9-2001: The Department explained that the matter was still pending in the Punjab Services Tribunal, Lahore and the next date of hearing was fixed for 26 November, 2001. The Committee directed the matter should be pursued by the Administrative Department and monitored/reported upon by Finance Department. **The para was settled.**

3. Para 16.7: Page 270; Loss of Rs.4,836,547/- to Government Revenues Due to Discrepancy in the Records

16-6-2001: The Department explained that the person held responsible for the loss, Mr A.K. Ansari, General Manager (R) was proceeded against under the E&D rules and the case for

forfeiture of his retirement benefits was with the Authority for final decision when he expired. The Authority had since dropped the proceedings.

The Committee observed that in the above circumstances the case of write off may be moved to the Finance Department. **With these observations, the para was settled.**

4. Para 16.8: Page 271; Loss of Rs.77,663/- Due to Misappropriation of Store Items

16-6-2001: The Department reported that the case was sub-judice. The para was kept pending.

22-9-2001: The Department explained that the case was still pending in Punjab Labour Appellate Tribunal.

The Committee directed that the case should be pursued by Administrative Department and monitored/reported upon by Finance Department. **The para was settled.**

(Commercial Audit)

1. Para 20: Page 23; Fraudulent Drawal of Rs.466,525/- on Bogus and Duplicate Bills

16-3-2001: Audit had pointed out that the Cashier and Accounts Assistant had fraudulently drawn Rs.466,525/- on forged bills during the period from 1989 to 1992.

The Department explained that in the case registered by the Department, the Anti-Corruption Establishment had recovered about 6.00 lac rupees as case property and the case was pending with the Anti-Corruption Court. The officials had been dismissed. Moreover, the Project Manager had also been imposed major penalty of recovery of Rs.50,000/- which had since been recovered from him.

On a query by the Committee, the Department told that some officials were dismissed on the ground of absence and recovery had not been imposed on them.

The Committee directed that the Anti-Corruption case be pursued vigorously and the balance amount recovered.

The Committee suggested that the system of financial control and internal audit needed improvement. The para was kept pending.

22-9-2001: The Department explained that the case was pending in the Office of the Anti-Corruption Establishment, Sargodha. **The para was settled**, with direction that the case should be pursued by the Administrative Department and monitored and reported upon by the Finance Department.

2. Para 23: Page 25; Non-recovery of Rs.122,257/- from M/s Paramount Toys Works Limited

22-9-2001: The Department explained that the entire amount had been recovered. **The para was settled, subject to verification by Audit.**

Paras Pended

(Civil Audit)

1. Para 16.10: Page 272; Non-Recovery of Rs.630,215/- Due from Sundry Debtors

16-6-2001: The Department explained that adjustment/recovery of Rs.31,412,79/- had been made and submitted to Audit for verification and efforts were being made to recover the balance amount.

The Committee directed that the recovery of the balance amount should be made without further loss of time. The case of recovery from the Irrigation Department should be referred to Finance Department. The para was kept pending.

22-9-2001: Audit reported that recovery of Rs.199,658/- had been verified. The Department explained that the balance recovery was being pursued. **The para was kept pending.**

(Commercial Audit)

1. Para 3(xviii): Page 6; Punjab Mineral Development Corporation, Lahore Non-Compilation of Accounts

15-3-2001: The Department explained that Chartered Accountants had been appointed by the Board in 1999 and the accounts for 4 years viz 1994-95, 1995-96, 1996-97 and 1997-98 had been submitted to them.

The Committee directed that year-wise delay in the compilation and audit of accounts should be explained. The schedule of visits intimated by the Chartered Accountants should also be given along with the explanation whether the said schedule was adhered to. It should also be explained when were the accounts submitted to the Chartered Accountants. Moreover, whether the Annual Report on the working of the Corporation required under the law to be submitted to the Government was actually submitted to the Government. The para was kept pending.

22-9-2001: The para was considered in the light of the minutes of the meeting held on 15.3.2001. The Department explained that no schedule of visits had been issued by the Chartered Accountant. The Department further stated that the delay in submission of accounts had been due to dispute with the Chartered Accountant. The Committee observed that in that case the Department should have taken proper action such as lodging a complaint against the Chartered Accountant with the Institute of Chartered Accountants of Pakistan. The Committee observed that the organisation appeared to have been negligent in the matter of maintaining proper accounts and stressed that the provisions of law about submission of accounts to Government should be complied with scrupulously. **The para was kept pending.**

2. Para 19: Pages 22-23; Loss of Rs.266,334/- Due to Failure of Coal Contractor

16-3-2001: Audit pointed out that a coal contractor lifted only 1390 M. Ton. coal out of total quantity of 2774 m. ton at the agreed rate of Rs.816/- per m. ton. The Department did not take action against the contractor during the contract period and on the expiry of the contract his security of Rs.96,000/- was forfeited and the unlifted coal was sold at the reduced rate, causing a loss of Rs.266,334/- to the Government.

The Department explained that due to rainy season and slump in the coal market, it was not advisable to cancel the contract, because the coal could not fetch the same price in the open market and the contractor had been persistently pressurized to lift the coal.

The Administrative Secretary further apprised the Committee that an inquiry had already been ordered into the matter, especially to see whether the provision of risk and cost had been made in the contract and whether it could have been invoked.

The Committee decided to keep the para pending for completion of the said inquiry and its consequential action. The Committee, however, suggested that the general draft of the agreement, if lacking in any respect should be improved.

22-9-2001: The Department explained that an inquiry was held into the matter which revealed that the contract agreement provided for confiscation of the security of the contractor, as well as sale of coal at his risk and cost under specific circumstances, but in the instant case there was no occasion to invoke the provisions of the risk and cost clause.

However, during discussion, it came to light that 2 lots had been allocated to the same contractor. In one lot his performance was satisfactory but in the other lot he went into default.

The Administrative Secretary undertook to re-examine the case. **The para was kept pending.**

3. Para 22: Page 24; Fraudulent Drawal of Loan Amounting to Rs.0.225 Million

16-3-2001: Audit reported that a loan of Rs.3.00 lac was sanctioned to Messrs Goldstar Feed Industry, Chakri Road, Rawalpindi against which a sum of Rs.0.255 million was disbursed in three installments for the purpose of construction of buildings and purchase of locally fabricated machinery. Later on, Deputy Director PSIC RO Rawalpindi reported non-existence of any building and machinery. Thus, the loan was misutilized by the loanee.

During discussion it was revealed that in violation of the contract, the 3rd installment was released to the loanee instead of the manufacturer of the machinery. Moreover, no action was taken for redemption of the mortgaged property on the default by the loanee.

The Committee directed that a thorough inquiry be held into the whole matter and action taken accordingly. The para was kept pending.

22-9-2001: The Department explained that as per directive of the Committee an inquiry was held and it was found that two officers were responsible for releasing the 3rd installment to the borrower instead of the supplier of the machinery. Both the officers had retired, but their pensionary benefits had not yet been released and the recovery, if imposed on them could be easily recovered from their dues. The Department further stated that the property in question was also mortgaged in favour of government and Board of Revenue had been moved for recovery of government dues from the mortgaged property.

The Department was directed to finalize the necessary action expeditiously. **The para was kept pending.**

4. Para 25: Page 26; Over Payment of House Rent Allowance Amounting to Rs.5.737 Million

22-9-2001: The Department explained that the PSIC Workers Association (Registered CBA) had filed a writ petition for allowing House Rent Allowance on the Basic pay, and had obtained a stay order from the Lahore High Court in their favour. The matter was sub-judice and the next date of hearing of the case was fixed for 28 September 2001 and the Department was pursuing this case. **The para was kept pending.**

Working Papers not received

The following paras still pending because the Department did not submit the working papers:

1. **Para 16.4:** Page 268; Embezzlement of Rs.127,600/-
2. **Para 16.5:** Page 269; Embezzlement of Rs.330,784/- from the imprest money.
3. **Para 16.6:** Page 270; Irregular purchase of raw material worth Rs. 5,381,406/-.
4. **Para 16.9:** Page 272; Loss of Rs.67,720/- due to Excess Milling.
5. **Para 16.11:** Page 273; Recovery of Rs. 228,728/-.
6. **Para 16.12:** Page 273; Non-recovery/Adjustment of Rs.573,924/-.

INFORMATION, CULTURE AND YOUTH AFFAIRS DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
5	5	--	--	--

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 3	Paras finally settled as the requisite action had been taken.	Civil: 17.2, 17.4 & 17.5	3	443
		Commercial:		
		Works:		
Paras Conditionally Settled 2	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 17.1 & 17.3	2	444-445
		Commercial:		
		Works:		
Paras Pended	Paras pended as the department was unable to complete the requisite action.	Civil:		
		Commercial:		
		Works:		
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial:		
		Works:		

Discussed on 27 March, 12 July, 30 August and 23 October 2001

Paras Finally Settled (Civil Audit)

1. Para 17.2: Page 277; Recovery of Rs.717,703/- Due to Non-deduction of Income Tax at Source

27-3-2001: Audit reported that the actual amount of recovery came to Rs.579,465/- instead of Rs.717,703/-.

The Committee directed the Department that the reported recovery of Rs.372,100/- be got verified by Audit by producing Credit Verification Certificates from the Income Tax Treasury. The recovery of the remaining amount of Rs.207,365/- should be expedited. The para was kept pending.

12-7-2001: Audit reported that all the recovery except an amount of Rs.53,182/- due from M/s Orient (Pvt.) Ltd Lahore, had been verified.

The Committee directed that the balance recovery should be effected within one month. The para was kept pending.

30-8-2001: The Department explained that the amount of Income Tax had been deposited and credit verification of Income Tax Department had been received. The Para was settled subject to verification by Audit.

23-10-2001: The Department explained that the recovery of the balance amount of Rs.53,182/- had been verified by Audit. **The para was settled.**

2. Para 17.4: Page 279; Doubtful Expenditure of Rs.146,077/- on Purchase of Air Tickets and Boarding/Lodging of Journalists

27-3-2001: The Department explained that the matter was being taken up with the Finance Department for regularisation of the expenditure as well as for formulating a policy for the future in this respect.

The Committee directed that (i) a copy of the existing policy, (ii) all vouchers of expenditure and (iii) post-facto sanction of the competent authority be produced to Audit within one month. The para was kept pending.

12-7-2001: The Department explained that in compliance with the directive dated 27-3-2001, the proposals on the policy to be followed regarding provision of Air Ticket/Boarding/Lodging facilities to the journalists had been submitted to the Secretary, Information Culture & Youth Affairs for approval. The Department had also produced detail of expenditure. The Committee made no further comments.

30-8-2001: The Department explained that requisite policy regarding provision of air ticket, boarding and lodging facility to the journalists to be followed in future had been forwarded to the Finance Department. After discussion, **the Committee decided to settle the para.**

3. Para 17.5: Pages 280; Likely Misappropriation of Rs.84,790/- on Account of Purchase

of Different Items

27-03-2001: The Department explained that the equipment purchased was available with the Department and there was no misappropriation. The explanation of the Department was accepted and **the para was settled.**

(Paras Conditionally Settled)

1. Para 17.1: Page 277; Recovery of Rs.49,506/- of Excess Expenditure on Residential Telephone

27-3-2001: The Department explained that an amount of Rs.23,968/02 had since been settled/recovered, leaving a balance of Rs.2,552/98 and efforts were being made to recover the same.

The Committee directed the Department to get the recovery verified by Audit and to make efforts for the balance recovery within shortest possible time. The Committee further directed the Department to give reasons as to why payment had been made without proper sanction of installation of residential telephone. The para was kept pending.

12-7-2001: Audit reported that further recovery of Rs.11,622/- had been made, and the Department had approached the Finance Department for writing off the recovery of Rs.13,916/- outstanding against the officer who had retired from service. Audit further pointed out that the Department had misquoted the PAC directive dated 27.3.2001.

The Committee took serious notice of this and directed that action should be taken against the officer responsible for mis-quoting the direction of PAC dated 27-3-2001. The Committee further directed that the Department should also inform the Finance Department of its mistake.

The Committee re-iterated its previous decision and directed that the recovery should be effected before the next meeting to be held in August 2001. The para was kept pending.

30-08-2001: The Department explained that in compliance with the direction of the Committee dated 12-7-2001, action had been taken against the official for misquoting the direction of the Committee, in the letter sent to Finance Department for regularisation of the expenditure. Mr. Sajjad Hussain, Accountant, Headquarter Office, Lahore had been issued a warning to be placed in his Annual Confidential Reports Dossier.

Moreover, notices had been issued for the balance recovery of Rs.12,353/- to all concerned.

The para was settled with the direction that Administrative Department should pursue the recovery and Finance Department should monitor the same.

2. Para 17.3: Pages 278; Recovery of Rs.44,374/- Due to Unauthorised Expenditure on Use of Mobile Telephone

27-3-2001: The Department explained that the Finance Department had been moved for regularization of expenditure on Mobile telephone used by the Director General Public Relations.

The Committee observed that the office of the Accountant General Punjab should have

not allowed expenditure on the Mobile telephone without sanction of the competent authority. The Accountant General Punjab assured that he would inquire into the matter. The Committee directed the Administrative Department that the expenditure incurred in connection with the Mobile telephone should be got regularised from the competent authority or recovery should be effected from the person responsible who used the Mobile telephone illegally. The para was kept pending.

12-7-2001: The Department explained that as per direction of the PAC dated 27.3.2001, the concerned officer had been asked to deposit the recoverable amount, because the Finance Department had refused to regularize the expenditure.

The Committee directed that the recovery should be effected within one month.

The Committee further directed that as promised by the Accountant General, Punjab in the last meeting held on 27-3-2001, the action taken by him against the officer who allowed unauthorised payment, should be reported to the Committee in the next meeting. The para was kept pending.

30-8-2001: The Department explained that letter had been written to the officers concerned to deposit the recoverable amounts, but they had responded that the expenditure on Mobile Telephone had been made by them in the discharge of their official duties in the public interest, therefore, the competent authority may be moved to regularise the expenditure.

The Director General Audit Punjab reported that the Accounts Officer who had passed the bills without proper authority, had since retired. The para was kept pending for recovery/write off.

23-10-2001: The Department explained that the case had been referred to the Finance Department on 4.10.2001 for write-off-sanction.

The Committee directed the Department to recover the amounts from the officers concerned, if the Finance Department does not accord sanction of write off.

The para was settled subject to recovery of the amount from the concerned officers. The Department was directed to pursue the recovery and Finance Department to monitor the same.

IRRIGATION AND POWER DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
189	2	1	146	40

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 75	Paras finally settled as the requisite action had been taken.	Civil: 15.1	1	451
		Works: I-A-3,I-A-4, I-A-5,I-B-1,I-B-2, I-B-3, I-F-1, II-A-2, II-A-5, II-A-8, II-A-9, II-B-3, II-C-2,II-D-2, III-B-3, III-C-1, III-C-2,III-D-3, III-E-1, III-E-2, III-F-1, III-G-1, III-H-1, IV-A-2, IV-A-3,IV-B-1, IV-C-1, V-C-1,VI-A-1	29	451-455
		Annexure Paras: Sr. Nos. 1, 2, 3, 4, 7, 8, 10, 12, 13, 16, 18, 19, 20, 23, 25, 27, 29, 30, 32, 34, 35, 37, 39, 40, 41, 42, 44, 45, 46, 48, 49, 50, 53, 55, 56, 57	36	455-461
		Revenue Receipts: 8.1(4130, 4203, 1932, 2991), 8.4(4479), 8.6(2693, 4001) 8.7(4376)	8	462-463
		Commercial: 3(xxii)	1	463
Paras Conditionally Settled 57	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil: 15.2	1	464
		Works: I-A-2,I-C-3, I-E-1, I-G-1, I-G-2, II-A-6, II-A-10, II-B-2, II-D-1, II-E-1, III-A-7, III-D-2,III-I-1, V-A-1, V-B-1,VI-B-1,	16	464-468
		Annexure Paras: Sr. Nos. 6, 9, 21, 22, 24, 28, 33, 36, 38, 43, 47, 51, 58	13	468-472
		Revenue Receipts: 8.1(4032, 4393, 4393), 8.5(4483), 8.6(2696, 2632, 2698, 3006, 4205, 4202, 4026, 4029, 4030, 4522, 4392, 4374, 4377, 4315, 4316, 4318, 4525, 4523, 4597, 4524, 4623, 4576), 8.7(4477)	27	472-477

Continued ...

Paras Pended 57	Paras pended as the Department did not take satisfactory action.	Civil:		
		Works: I-A-1, I-A-6, I-A-7, I-A-8, I-B-4, I-B-5, I-C-1, I-C-2, I-C-4, I-D-1, I-D-2, I-D-3, I-D-4, I-E-2, I-E-3, I-F-2, II-A-1, II-A-3, II-A-4, II-A-7, II-B-1, II-C-1, 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-4, III-B-5, III-B-6, III-C-3, III-C-4, III-D-1, III-D-4, IV-A-1, IV-D-1, V-D-1, VI-A-2	41	478-492
		Annexure Paras: Sr. Nos. 5, 11, 14, 15, 16, 17, 26, 31, 52, 54, 59	11	492-496
	Revenue Receipts: 8.1(4077), 8.2(4372), 8.3(4373), 8.6(4484, 4480)	5	496-498	
	Paras pended as the Department did not submit the working paper.	Civil:		
		Works:		
		Revenue Receipts:		
		Commercial:		

Discussed on 13, 14 March, 25-27 June, 18-21 September and 8, 23 & 24 October 2001

Paras Finally Settled (Civil Audit)

1. Para 15.1: Page 263; Irregular Purchase of Stationery Costing to Rs.264,669/-

27-6-2001: The Audit observation was based on the contention that the power of the Administrative Departments for local purchase of stationery was limited to Rs.40,000/- at a time under Sr. No.3(b)(i) of second schedule to the Punjab Delegation of Financial Powers Rules, 1990. The Finance Department, however, clarified that since the item was specifically shown in the Budget Estimates in detail, the expenditure was covered under Sr. No.3(a) ibid and Administrative Department had full powers to sanction the expenditure. **The para was settled.**

(Works Audit)

1. Para I-A-3: Page 151; Payment of Excessive Quantities-Rs.116,719/-

20-9-2001: The Administrative Department explained that during the execution of work width of killa bushing was enhanced by the consultants M/s. NESPAC and inspite of enhancement of the said quantity the total payment remained within permissible limit. Audit, however commented that the action of the Department was in contravention of Finance Department letter dated March 27, 1990.

The para was kept pending with the direction that the Department should show the record to Audit in support of its contention.

24-10-2001: On the recommendation of Audit **the para was settled.**

2. Para I-A-4: Page 151; Payment of excessive quantities-Rs.90,679/-

20-9-2001: It was observed that the working paper was devoid of full facts of the case. The Department was directed to give all facts and figures in the working paper. The para was kept pending.

24-10-2001: The Department explained that the relevant record had been verified by Audit. **The para was settled.**

3. Para I-A-5: Page 152; Payment of Excessive Quantities-Rs.57,556/-

20-9-2001: The Department explained that the relevant entry existed in some other measurement book and had been shown to Audit. Audit pointed out that the entry appeared to have been made afterwards. Therefore, the final bill should be produced to Audit for verification. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated September 20, 2001. The Department explained that in compliance with PAC directive dated September 20, 2001 i.e., final bill had been produced to Audit and got verified. **The para was settled.**

4. Para I-B-1: Page 153; Excessive Measurements-Rs.347,113/-

8-10-2001: The Department explained that full amount of the para had been recovered from the final bill of the contractor and the official at fault had been issued a warning. Audit had verified the recovery. **The para was settled.**

5. Para I-B-2: Page 154; Excessive measurements Rs.171,655/-

19-9-2001: The Department explained that recovery of Rs.64,920/- had been made and got verified by Audit, and the balance recovery of Rs.106,735/- from the contractors was being pursued. The Department further stated that an inquiry had also been initiated on September 4, 2001 against the accused officers/officials under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed the Department to complete the recovery by next meeting to be held on October 23, 2001. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated September 19, 2001.

The Department explained that out of the balance recovery of Rs.106,735/-, an amount of Rs.32,711/- had been recovered. As to the amount of Rs.74,024/-, it was a duplication as the same amount was also involved in draft para I-C-I 92/93. It was further explained that disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 had also been initiated against the defaulting officers. **The para was settled** with the direction that the Department may complete the disciplinary action at the earliest.

6. Para I-B-3: Page 154; Excessive measurements Rs.132,716/-

21-9-2001: The view-point of the Department had been accepted by Audit. **The para was settled.**

7. Para I-F-1: Page 161; Non-deduction of shrinkage Rs.334,943/-

21-9-2001: The record had been verified by Audit. **The para was settled.**

8. Para II-A-2: Page 164; Outstanding Government Dues Rs.9,125,020/-

26-6-2001: The Department stated that the Para comprised of two Advance paras and explained as under -

AP 7144 An amount of Rs.7,769,877/- was due from different divisions against their work done and the recovery was being pursued. AP No.7146 The recoverable amount of Rs.1,355,143/- had been reduced to Rs.526,163/30 by adjusting the out turn of the machine.

The Committee advised the Department to get the expenditure/ adjustments regularized from the Finance Department. The para was kept pending.

21-9-2001: The Committee directed the Department to refer this matter to the Finance Department and further action be taken as per directions of the Finance Department. **The para was settled.**

9. Para II-A-5: Page 165; Outstanding Government Dues-Rs.1,017,793/-

20-9-2001: The Department explained that after recovery the amount of para had been reduced from Rs.425,652/- to Rs. 295,768/-.

The Department further explained that the recovery from the tenants was a continuing process. The Committee directed that the Department should devise a mechanism for prompt recovery from the tenants and recover the balance. The Committee observed that the Audit may give the latest balance in the next report. **The para was settled.**

10. Para II-A-8: Page 163; Non-recovery of Government dues-Rs.1,207,136/-

20-9-2001: The adjustment made by the Department had been accepted by Audit. **The para was settled.**

11. Para II-A-9: Page 167; Non-recovery of Government dues-Rs.121,568/-

20-9-2001: The Department explained that the misplaced roll had been produced and the advance had been cleared. However, an inquiry had also been initiated into the matter to fix responsibility. The Committee directed that inquiry and requisite action be completed. **The para was settled.**

12. Para II-B-3: Page 168; Non-recovery of cost of material Rs.418,703/-

20-9-2001: The Department explained that as a result of disciplinary proceeding a recovery of Rs.418,703/- had been imposed on the Sub Engineer concerned and his appeal was pending in Punjab Service Tribunal Lahore. **As the case was under legal process the Committee decided to settle the para.**

13. Para II-C-2: Page 169; Rent/electric charges Rs.543,905/-

19-9-2001: After verification of record Audit had verified that recovery of Rs.29,293/- had been made and the remaining amount of Rs.325,510/- was not recoverable. **The para was settled.**

14. Para II-D-2: Page 170; Non-recovery of Professional Tax-Rs.61,000/-

21-9-2001: The Committee observed that the assessee was responsible for payment of Professional Tax and deduction of professional tax at source had not been provided in the relevant law. **The para was settled.**

15. Para III-B-3: Page 176; Theft of Material-Rs.64,322/-

20-9-2001: Audit had verified the recovery of Rs.11,895/- and Rs.86,416.62. **The para was settled as recommended by Audit.**

16. Para III-C-1: Page 178; Misappropriation of Material-Rs.2,223,556/-

8-10-2001: Audit stated in the meeting that the record had been verified. **The para was settled.**

17. Para III-C-2: Page 178; Misappropriation of material Rs.495,000/-

21-9-2001: Consumption of material worth Rs.491,952/- and recovery of Rs.30,481/- had been verified by Audit.

The para was settled.

18. Para III-D-3: Page 181; Loss of Rs.139,981/-

13-3-2001: The Department explained that proceedings under the Efficiency and Discipline Rules against the officials responsible for shortage of Stock articles worth Rs.139,981/- are in process and will be completed within 3 months. The para was kept pending.

19-9-2201: The para was settled on the recommendation of the Audit.

19. Para III-E-1: Page 182; Tampering of Government Record-Rs.125,072/-

8-10-2001: The Department explained that the Sub-Engineer responsible for tampering with the record was proceeded against and awarded penalty of stoppage of annual increment for one year. **The para was settled.**

20. Para III-E-2: Page 182; Tampering of Government Record

21-9-2001: The record had been verified by Audit. **The para was settled.**

21. Para III-F-1: Page 183; Non-Leasing of Government Land-Rs.287,072/-

8-10-2001: The Department explained that the land attached to 3 Canal Rest Houses was under use of the employees in accordance with Para 13.27 of Revenue Manual, and the land attached to remaining 11 Rest Houses was being surrendered to Board of Revenue. The Committee accepted the explanation of the Department and **the para was settled.**

22. Para III-G-1: Page 183; In excess of Deposits Rs.284,339/-

26-6-2001: The Audit had objected to the adjustment of excess deposit of one job against the short deposit of some other jobs, being practised by the Moghalpura Irrigation Workshop.

The Committee observed that such practice was irregular and be discontinued in future, but since the accounts for the year 1996-97 had been closed, **the Committee decided to settle the para.**

23. Para III-H-1: Page 184; Non-adjustment of Profit Rs.193,572/-

26-6-2001: The Department explained that the profit had been credited. The para was settled subject to verification.

21-9-2001: Audit had verified the record. **The para was settled.**

24. Para IV-A-2: Page 185; unauthorised/unjustified payments-Rs.419,051/-

20-9-2001: The view-point of the Department had been accepted by Audit. **The para was settled.**

25. Para IV-A-3: Page 186; Payments without funds Rs.433,151/-

19-9-2001: The Department explained that the item under observation (dumping of stones) was included in the revised estimate. Audit had verified the same. **The para was settled.**

26. Para IV-B-1: Page 187; Payment against financial rules-Rs.935,980/-

20-9-2001: The Department explained that the amount related to 221 bills with an average amount of Rs.4500/- on account of local repair of tubewells which was confirmed by Audit. **The explanation of the Department was**

accepted and the para was settled.

27. Para IV-C-1: Page 187; Fictitious Record Entries Rs.287,115/-

20-9-2001: Audit had alleged that the pages of measurement book had been replaced. The Department explained that an inquiry was held and it was established that although the colour of some pages of measurement book was different from that of other pages, but these papers were original and not replaced. **The para was settled.**

28. Para V-C-1: Page 190; Payment without Technical Sanction Rs.3,459,983/-

26-6-2001: The Audit had objected to the execution of the work by the Workshop before technical sanction of the repair estimates. The Department explained that the cost estimates of the jobs undertaken in the workshop were approved prior to execution of work, however, minor jobs were done on actual plus over head charges basis.

The Department was directed strictly to follow the Rules. **The para was settled.**

29. Para VI-A-1: Page 192; Blockade of Government Money-Rs.18,628,880/-

8-10-2001: Audit stated in the meeting that record had been verified. **The para was settled.**

General Observation/Directive

Officers of Audit Department informed the Committee that since the Director General Audit Works was on tour, he could not attend today's meeting. The Committee observed that since the presence of the Director General himself in its meetings was of great assistance during discussion of Audit objections, it was expected that the Committee would be informed in advance in case he was not in a position to participate in a meeting.

Annexure Paras

1. Para 103(iii)/1968-69: Page 373; Serial 1, Shortage of Stores-Rs.7,673/-

25-6-2001: The para had already been settled by PAC on May 26, 1999.

2. Para 84(3)/1972-73: Page 373; Serial 2, Shortage of Stores Rs.16,437/-

25-6-2001: The para had already been settled by the PAC on May 26, 1999.

3. Para 14(1)/1976-77: Page 373 read with Serial 3, Theft of Store-Rs.5,000/-

8-10-2001: The recovery had been verified by Audit. **The para was settled.**

4. Para 95(6): Page 373; Serial 4, Loss of Rs.57,344/- due to defective & long shortage of Cement

13-3-2001: The Department explained that sanction for write off Rs. 57,443/- had been accorded by the Administrative Department with the concurrence of the Finance Department. **The para was settled**

5. Para 2 (10)/1985-86: Page 374; Serial 7, Non-recovery Rs.509,072/-

13-3-2001: The department explained that defective work costing Rs.359,306 was set right by the Contractors as certified by the Consultant M/s NESPAK, thus the actual recovery worked out to Rs.29,106/- which was being pursued from the concerned Contractors as arrears of land revenue through the District Collectors concerned. Moreover, in disciplinary proceedings, the authority had exonerated the accused officials.

The Committee directed that the Inquiry Report on the basis of which the accused officials had been exonerated and the certificate of the NESPAK on the basis of which the amount of recovery had been reduced should be produced to Audit for verification. The para was kept pending.

19-9-2001: The Department explained that the actual amount of recovery, determined in inquiry, had been recovered and got verified by Audit. **The para was settled.**

6. Para II-6/1986-87: Page 374; Serial 8, Excess payment Rs.262,446/-

14-3-2001: Para 4

The Department explained that recovery involved in this para had been made. The Committee settled the part subject to verification of record by Audit.

Para 6

The previous PAC had directed the Department on August 3, 1992 to get the record checked by Audit to prove their contention that correct rates had been applied and no over-payment was involved. After checking the record the Audit was not convinced with the Departmental contention.

The Committee directed that the Department should hold a technical inquiry to ascertain the factual position and take action accordingly. The para was kept pending.

19-9-2001: The Department explained that the partial recovery of Rs.6,176/- had been made and the remaining amount was not recoverable. The position had been verified by Audit. **The para was settled.**

7. Para I-1(ii)/1986-87: Page 374; Serial 10, Non recovery Rs.43,710/-

19-9-2001: The Department stated that the recovery of actual recoverable amount of Rs.23,071/- had been got verified by Audit. **The para was settled.**

8. Para II-5/1987-88: Page 374; Serial 12, Non recovery Rs.346,480/-

14-3-2001: The PAC vide its directive dated December 20, 1995 had settled this para subject to recovery of the balance amount of Rs.28,065 and its verification by Audit.

The Department replied that the amount was recoverable from Zeenat Textile Mills which was under liquidation, and the Department had lodged its claim with the liquidator.

The Committee re-iterated the previous Public Accounts Committee decision dated December 20, 1995. The para was kept pending.

19-9-2001: Audit had verified the recovery of the entire amount. **The para was settled**

9. Para III-2/1987-88: Page 374; Serial 13, Loss to Government Rs.208,431/-

13-3-2001: Audit pointed out that the Department had incurred an expenditure of Rs.208,000/- on the repair of a condemned Jeep upto May 1987.

Audit further reported that the Department could not produce the relevant record in compliance with the previous directives of the PAC dated December 20, 1995 to Audit for verification. The Committee took serious notice of non completion of the PAC direction and directed the Department to hold an inquiry under E&D Rules, fix responsibility and make recovery of the irregular payments, from the persons responsible for the same, within 4

months. The para was kept pending.

The Department was directed to compile a consolidated list of recoveries notified by the Department to be made as arrears of land revenue by the District Collectors. The Committee would consider the report and make its recommendations.

19-9-2001: The Department explained that, as per directive of the Committee dated March 14, 2001, the formal inquiry had been held and the inquiry report was being examined in the Administrative Department.

The Department was directed to finalize the action before the next meeting to be held on October 23, 2001. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated September 19, 2001.

The Department explained that after considering the recommendations/findings of the inquiry officer the Secretary Irrigation & Power Department (Competent Authority) exonerated the accused officer vide order dated October 20, 2001. **The para was settled** with the observation that recurring of expenditure on a condemned jeep was not proper.

10. Para IV-ii-5/1987-88: Page 79; Serial 16, Loss of Rs.212,000/- to Government Due to Theft of Trees

14-3-2001: The Department stated that in compliance with PAC directive dated December 20, 1995, the charge sheet/statement of allegations against 5 officers/officials for the recovery of total amount of Rs.212,000/-had since been submitted to the competent authority for approval. The approval of the competent authority was awaited.

The Committee took serious notice of non-implementation of Public Accounts Committee's direction even after a lapse of more than 5 years and directed that disciplinary action should be taken against the officers who were responsible for non-implementation of the directions of PAC.

The Committee further directed that figures of recoverable amount be reconciled with Audit within 30 days and recovery be effected. The Para was kept pending.

19-9-2001: The para was considered on 19 and 20 September, 2001.

The Department explained that Audit had verified the reduction in the amount of the para to Rs.124,200/-.

The Department further explained that in compliance with the direction of the Committee, notice of proceedings under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been issued on September 1, 2001 and further action would be taken as per decision of the competent authority.

The Committee directed that the recovery/action should be pursued by the Administrative Department and monitored/reported upon by the Finance Department. **With the above observation the para was settled.**

11. Para I(22)/1987-88: Page 375; Serial 18, Excess Payment of Rs.24,579/-

20-9-2001: The Department explained that full recovery of Rs.24579/- had been effected and got verified by Audit. **The para was settled**

12. Para I-25/1987-88: Page 375; Serial 19, Over payment Rs.37,004/-

19-9-2001: The Department explained that the balance recovery of Rs.37,004/- had since been made from the dependents of the deceased Executive Engineer (Mr Ghaffar). **The Committee settled the para.**

13. Para I(27)/1987-88: Page 375; Serial 20, Over Payment of Rs.67,679/-

20-9-2001: The Department explained that the entire recovery involved in this para had been effected. **The para was settled.**

14. Para IV(1)9/1987-88: Page 376; Serial 23, Shortage of Trees-Rs.96,690/-

20-9-2001: The Department explained that the XEN responsible for non-compliance of directive of PAC dated December 17, 1992 had been warned and the warning had been placed in his ACR dossiers. It was further explained that recovery of the actual recoverable amount of Rs.33,222/- had been made and verified by Audit. **The para was settled.**

15. Para IV(II)7/1987-88: Page 376; Serial 25, Theft of Stores-Rs.122,000/-

20-9-2001: The reduction in the amount of the para to Rs.35,561/- and recovery of Rs.468/- and write-off sanction of Rs. 3,614/- had been verified by Audit. The Department explained that the balance recovery of Rs.31,479/- on account of stolen trees had also been effected. **The para was settled**

16. Para III(9)/1987-88: Page 376; Serial 27, Loss to Government Rs.453,519/-

8-10-2001: Audit reported that the para had been mis-interpreted and the trees in question were charged to work. **The Committee settled the para on the recommendation of Audit.**

17. Para I-28/1987-88: Page 377; Serial 29, Loss due to defective execution of work Rs.130,517/-

19-9-2001: The recovery of Rs.27,869/- and duplication of the amount of Rs.130,517/- had been verified by Audit. **The para was settled.**

18. Para I-29/1987-88: Page 377; Serial 30, Loss due to defective execution of work Rs.46,122/-

19-9-2001: The Department explained that in compliance with PAC direction dated December 19, 1995, disciplinary proceedings were initiated against 3 Executive Engineers. The Chief Minister, Punjab, as the Authority, had imposed major penalty of reduction in time scale by two stages on all the three accused officers. Moreover, the over payment of Rs.46,122/- had also been recovered from the contractor. **The para was settled.**

19. Para IV-II-10/1987-88: Page 377; Serial 32, Theft of stores Rs.395,026/-

19-9-2001: The Department explained that after verification of record the amount of Para had been reduced to Rs.67,200/- by Audit. That amount had since been recovered. **The para was settled.**

The Committee, however, observed that in Audit Paras pending before the Public Accounts Committee, the Departments, in their keenness to report progress to the PAC, appear to have been receiving deposits or recoveries of the amounts involved in the paras from the contractors or the officers without following prescribed procedure of recovery under the rules, which was not a healthy practice.

20. Para I(6)/1987-88: Page 377; Serial 34, Over Payment of Rs.52,115/-

25-6-2001: The Department explained that as per directive of the PAC dated July 30, 1996, the balance amount of Rs.32,616/- had been recovered. Thus the total amount of the para had been recovered and verified by Audit. **The para was settled.**

21. Para I(8)/1987-88: Page 377; Serial 35, Excess Payment of Rs.41,461/-

25-6-2001: The Department explained that as per direction of PAC dated December 20, 1995, full amount of the para had been recovered and verified by Audit. **The para was settled.**

22. Para I(12)/1987-88: Page 377; Serial 37, Excess Payment of Rs.142,037/-

25-6-2001: The para was considered in the light of direction of PAC dated December 20, 1995.

The Department explained that the recovery of Rs.142,037/- had been effected and got verified from Audit.

Audit however, stated that process of verification of recovery was underway, and hence the consideration of the para was deferred to June 27, 2001. The record was seen by Audit on June 27, 2001 and **the para was settled.**

23. Para I(14)/1987-88: Page 378; Serial 39, Over Payment of Rs.118,400/-

25-6-2001: As per direction of Public Accounts Committee dated December 20, 1995, the Department had recovered the reduced amount of Rs.61,734/-, and the recovery had been verified by Audit. **The para was settled.**

24. Para II(3)/1987-88: Page 378; Serial 40, Non-recovery of Rent-Rs.24,055/-

25-6-2001: The Department explained that in compliance with the directive of PAC dated July 30, 1996, the recovery of standard rent had been made. Audit reported that the verification was in process. The para was deferred to June 27, 2001. The para was again considered on June 27, 2001, the Committee observed that the previous PAC had recommended recovery of standard rent which had been recovered and verified. **The para was settled.**

25. Para IV(1)1/1987-88: Page 378; Serial 41, Shortage of trees Rs.103,512/-

25-6-2001: The para was considered in the light of direction of PAC dated July 30, 1996.

The Department explained that in the case of shortage of trees worth Rs.58,950/-, the accused Sub-engineer was exonerated by the competent authority. In the said case of shortage of trees worth Rs.36,000/- an amount of Rs.30,844/- had been recovered from the concerned Sub-Engineer and the remaining amount of Rs.5,156/- would be recovered within 2 months. The para was settled subject to completion of recovery and its verification by Audit.

19-9-2001: The Department stated that the balance amount of Rs.5,156/- had also been recovered and got verified by Audit. **The para was settled.**

26. Para IV(I)2/1987-88: Page 378; Serial 42, Loss to Government Rs.949,071/-

25-6-2001: The Department explained that the relevant record of fallen trees and their auction had been produced to Audit for verification. Audit had reduced the quantity of 30,000 Cft wood to 3,000 Cft, out of which 1,236 Cft wood had been auctioned and the balance quantity of 1,764 Cft wood was included in the quantity of wood transferred to Canal Site Plantation Sargodha. The Department also stated that the original record had been burnt in the Jeep, and photocopies were available. The Department was directed to get its contention verified by Audit. Audit was directed to entertain the (attested) photocopies as collateral evidence. The para was kept pending.

19-9-2001: The record and recovery of Rs.19,057/- had been verified by Audit. **The para was settled.**

27. Para IV(I)4/1987-88: Page 378; Serial 44, Loss to Government Rs.218,762/-

25-6-2001: As per directive of the PAC dated July 30, 1996, the recovery of the amount of the Para had been made by the Department and verified by Audit. **The para was settled.**

28. Para IV(ii)-1/1987-88: Page 378; Serial 45, Loss to Government Rs.72,725/-

25-6-2001: As per direction of the PAC dated July 30, 1996, the Department had obtained the write-off sanction for Rs.72,725/- from the Finance Department and the record had been verified by Audit on June 22, 2001. **The para was settled.**

29. Para IV(II)2/1987-88: Page 378; Serial 46, Loss to Government Rs.61,240/-

25-6-2001: The para was considered in the light of direction of PAC dated July 30, 1996.

The Committee directed Audit to check up regarding the authority for adding 100% penalty, and the para was deferred to June 27, 2001. The para was again discussed on June 27, 2001. Audit could not produce any authority for adding 100% penalty. Since the recovery at the basic rate (i.e. without 100% penalty) had been verified by Audit, **the para was settled.**

30. Para V(2)/1987-88: Page 379; Serial 48, Misappropriation of Pitching Stone Rs.379,057/-

25-6-2001: The para had already been settled by PAC on July 30, 1996.

31. Para 1(17)/1987-88: Page 379; Serial 49, Loss due to defective work Rs.68,536/-

21-9-2001: The recovery of the total amount (Rs.68,536/-) had been verified by Audit. **The para was settled.**

32. Para I-18/1987-88: Page 379; Serial 50, Over Payment of Rs.61,533/-

25-6-2001: The Department explained that the acceptance of rates for the works were issued on the basis of chapter-wise premium and no overpayment was involved. **The explanation of the Department was accepted and the para was settled.**

33. Para II-8/1987-88: Page 379; Serial 53, Non-recovery of Rs.20,000/-

25-6-2001: As per direction of the PAC dated December 20, 1995, full recovery had been verified by Audit. **The para was settled.**

34. Para IV(1)5/1987-88: Page 379; Serial 55, Shortage of material Rs.107,388/-

26-6-2001: The Department explained that as per decisions of the PAC dated December 19, 1995, an amount of Rs.100,000/- had since been recovered, leaving a balance of Rs.7,388/-, which was being recovered from concerned official.

The Committee directed that the Department should produce a copy of the recovery order to Audit and Audit should watch the balance recovery. The para was settled.

21-9-2001: The para had already been settled on June 26, 2001.

35. Para IV(2)-6(1)/1987-88: Page 380; Serial 56, Theft of Trees-Rs.99,800/-

21-9-2001: The Department explained that the write-off sanction to the loss had been accorded and adjusted. **The para was settled.**

35-a. Para IV-(ii)6-1/1987-88: Page 380; Serial 56, Theft of Trees-Rs.99,800/- (Reduced amount Rs.13,000/-)

21-9-2001: The record had been verified by Audit. **The para was settled.**

36. Para IV(II)-9(I)/1987-88: Page 380; Serial 57, Theft of Trees Rs.52,250/-

21-9-2001: The Committee directed the Department to recover the balance amount. The para was kept pending.

23-10-2001: The Department explained that the recovery of Rs.52,250/- relating to Lahore Zone has been effected, and the remaining amount out of the total of Rs.165,250/- related to Multan Division.

The Committee settled para to the extent of Rs.52,250/- relating to Lahore Zone and kept the portion relating to Multan Zone pending for recovery.

General Observations

(1) The Committee observed that the primary responsibility for recovery of Government dues rested with the Department concerned and did not end by passing over the recovery case to the District Collector. The Department should issue instructions to this effect to all its officers.

(2) The Department should also consider to introduce the system of obtaining advance payment of water charges from all concerned.

(Revenue Receipts Audit)

1. Para 8.1: Page 71; Non-recovery of water charges PDP 4130-DCO Rahim Yar Khan-Rs.702,972/-

14-3-2001: The Department explained that an amount of Rs.643,536/- had been recovered leaving a balance of Rs.59,433/- which would also be recovered in the meanwhile. The para was kept pending for recovery of balance amount and its verification by Audit.

18-9-2001: Audit had verified the recovery of entire amount. **The items were settled.**

2. Para 8.1: Page 71; Non-recovery of water charges PDP 4203 DCO Lahore-Rs.84,345/-

14-3-2001: The Department replied that the entire amount had been recovered in April 1998. The Committee directed that the recovery may be got verified by Audit within 15 days. The para was kept pending.

18-9-2001: Audit had verified the recovery of entire amount. **The items were settled.**

3. Para 8.1: Page 71; Non-recovery of water charges PDP 1932 DCO Jhang-Rs.160,238/-

14-3-2001: The Department explained that the entire amount had been recovered. The Committee directed that recovery may be got verified from Audit within 15 days. The para was kept pending.

18-9-2001: **The item was settled as the total recovery had been verified by Audit.**

4. Para 8.1: Page 71; Non-recovery of water charges PDP 2991 DCO Trimmu-Rs.103,488/-

14-3-2001: The Department stated that the entire amount of Rs.103,488/- had been recovered. The para was settled subject to verification of recovery by Audit.

18-9-2001: **The item was settled as the total recovery had been verified by Audit.**

5. Para 8.4: page 73 & 74; Non-realization of lease money PDP 4479 Rs.1,295,300/-

14-3-2001: The Department explained that an amount of Rs.1,355,800/- had been recovered leaving a balance of Rs.585,300/-. The Committee directed that the balance amount be recovered and got verified by Audit. The para was kept pending.

18-9-2001: The recovery of the entire amount had been verified by Audit. **The para was settled.**

6. Para 8.6: Page 74 & 75; Blockage of Govt. revenue due to non-finalization of case of special charges PDP 2693 DCO Faisalabad Division-Rs.111,673/-

14-3-2001: The Audit reported that a large number of cases of special charges (Tawan) amounting to Rs.111,673/- had been lying outstanding since long for want of disposal.

The Department explained that the recovery of the amount of Rs.111,673/- had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled as the total amount had been liquidated and verified by Audit.

7. Para 8.6: Pages 74 & 75; Blockage of Govt. revenue due to non-finalization of case of special charges PDP 4001 DCO Shujaabad-Rs.84,335/-

14-3-2001: Audit had verified that full amount of the para had been liquidated. **The para was settled.**

8. Para 8.7: Page 76; Non-realization of Stamp Duty and Registration Fee due to Non Registration of Lease Deeds Rs.165,663/- PDP 4376 DCO Sulemanki Head Works-Rs.19,460/-

14-3-2001: The Committee directed that the directions given in Para 8.7 PDP 4477 should also apply to this Para, being identical in nature. The para was kept pending.

18-9-2001: The recovery of the entire amount had been verified by Audit. **The item was settled with the directions that a copy of the Inquiry Report in the case may be supplied to Audit.**

(Commercial)

1. Para 3-xxii/1996-97: Page 74 & 75 of the Audit Report for the years 1992-93 to 1996-97 Non Compilation of Accounts

Mughalpura Workshop

14-3-2001: Audit reported that the accounts of Mughalpura Irrigation Workshop for the years 1992-93 to 1996-97 had since been submitted to Audit.

The Committee directed the Department to look into the delayed submission of accounts and also to review what useful purpose was being served by declaring the Mughalpura Irrigation workshop as a Commercial Organization. **With the above mentioned observations, the para was settled.**

Paras Conditionally Settled (Civil Audit)

1. Para 15.2: Page 263; Irregular Expenditure of Rs.89,484/- Due to use of Residential Telephone Over and above the Limit

27-6-2001: The Department explained that the amount related to six officers and four of them had since retired. Major amount of Rs.66,000/- relates to Deputy Secretary (Admn) who had dual charge.

The Finance Department maintained that in case of dual charge the entitlement of the officer for residential telephone remained the same.

The Committee directed the Department that the amount of expenditure beyond ceiling should be recovered from officers who had used the telephone. Secondly, action should also be taken against the officers who were responsible for not making the recovery on time, and those who had not pursued the recovery. The para was kept pending.

18-9-2001: The Department explained that an amount of Rs.7,641/- had been recovered from 3 officers, and efforts were being made to recover the balance amount of Rs.75,400/-.

The Committee settled the para with the observation that recovery should be pursued by the Administrative Department and monitored by the Finance Department.

(Works Audit)

1. Para I-A-2: Page 150: Payment of Excessive Quantities-Rs.230,277/-

20-9-2001: The Department explained that actual quantity of earth work was 586,976 Cft instead of 399,849 Cft and the item work was done within the estimated provision and the excess payment was within permissible limit of technical sanction.

The Department was directed to produce the relevant record in support of their reply to Audit. **The para was settled.**

2. Para I-C-3: Page 157; Payments at Higher Rates-Rs.167,575/-

8-10-2001: The Department explained that recovery of the amount from the contractor as arrears of land revenue was being pursued.

The Committee directed that the officers responsible for the over-payment through application of incorrect rates, including District Accounts Officer and Divisional Accountant, should be proceeded against. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting of the PAC dated October 8, 2001.

The Department explained that as a result of disciplinary action three officers have been dismissed from service. Moreover, the recovery from the contractor as arrears of land revenue was under process.

The Committee was of the view that action should have been taken against the Divisional Accountant also. The Department undertook to initiate action against the Divisional Accountant as well.

The para was settled with the direction that the **Finance Department may monitor** and report the disciplinary action to be taken by the Department and the recovery to be made.

3. Para I-E-1: Page 160; Payment of Excessive Lead/Primia-Rs.188,956/-

8-10-2001: The Department explained that after verification of record the amount of para had been reduced to Rs.49,956/- which had been recovered.

The Committee directed that the Administrative Department should get the record verified by Audit and the

Finance Department should monitor the same. **The para was settled.**

4. Para I-G-1: Page 162; Non-deduction of available Earth/Stone-Rs.288,435/-.

8-10-2001: The Department explained that an amount of Rs.134,413/- had been recovered and efforts were being made to recover the balance amount of Rs.154,002/-.

The Committee directed that **Finance Department may monitor for the recovery and verification. The para was settled.**

5. Para I-G-2: Page 162; Non-deduction of available Earth/Stone-Rs.88,462/-

8-10-2001: Audit had verified the recovery of Rs.88,462/- from security deposit of contractor, but relevant monthly account was yet to be verified. **The Committee directed that Finance Department may monitor further action. The para was settled.**

6. Para II-A-6: Page 166; outstanding Government dues-Rs.93,701/-

20-9-2001: The Department explained that the amount of the para shows the losses of stock due to drying/soakage, which were initially shown as P.W. advance against the official concerned, but ultimately written-off and adjusted. An amount of Rs.52,388/- had already been adjusted and the balance amount of Rs. 41,312/- would also be cleared on receipt of write off sanction from the Finance Department.

The Department was directed to get the adjustment verified by Audit and expedite the balance recovery/adjustment/write off. The para was kept pending.

24-10-2001: The Department explained that the competent authority had sanctioned the proforma of losses of Rs.52,388.31 under rules 13 (Part-I Powers Common to All Departments) of the Punjab Delegation of Financial Powers Rules 1990 which will be got verified by Audit. Further, a case for write off sanction of the balance amount of Rs.41,312.97 has been referred to Finance Department. **The para was settled subject to verification of record by Audit**

7. Para II-A-10: Page 167; Outstanding Government dues-Rs.5,374,350/-

8-10-2001: **The Committee directed that action in the matter should be monitored by Finance Department. The para was settled.**

8. Para II-B-2: Page 168; Non-recovery of cost of Material Rs.294,305/-

26-6-2001: The Department explained that the concerned officers have been asked to submit the relevant account of deposit which was awaited.

The Department was directed to initiate action against the concerned officers/officials under the Punjab Removal from Service (Special Powers) Ordinance 2000. The para was kept pending.

21-9-2001: Audit had verified the duplication of Rs.251,870/- and reduced the amount of para to Rs.42,435/-.

The Committee directed the Department to get the relevant recovery/record verified by Audit. **The para was settled, subject to verification by Audit.**

9. Para II-D-1: Page 170 Professional/Income Tax-Rs.100,111/-.

20-9-2001: The Committee directed that the matter of non-deduction of income tax with full particulars should be reported by Administrative Department to the Income Tax Department for necessary action, and appropriate action

should be taken against the officer responsible for non-deduction of Income Tax. **With the above observations the para was settled.**

24-10-2001: The para was considered with reference to the minutes of the meeting dated September 20, 2001.

The Committee settled the para with the direction that the Department may submit a report whether compliance had been made of its directive dated September 20, 2001 whereby the Department was required to inform the Income Tax Department about the cases where income tax had not been deducted, and whether action had been taken against the officers who failed to deduct income tax at source.

10. Para II-E-1: Page 171; Repair charges/work done-Rs.53,874,450/-

20-9-2001: The para was considered on 20 and 21 September 2001.

During discussion it transpired that the expenditure had been incurred without availability of funds and debited to suspense head.

The Committee decided that its direction regarding excess expenditure from suspense should apply to the para, which entail disciplinary action against the officers responsible for the excess, and regularisation of excess expenditure by the Finance Department. **The Committee accordingly decided to settle the para with the direction that the action should be pursued by the Administrative Department and monitored by Finance Department.**

11. Para III-A-7: Page 174; Non-Disposal of Material-Rs.1,050,560/-

8-10-2001: The Department explained that the Tehsildar had given a certificate that the land in question was never transferred to Irrigation & Power Department. **The Committee directed that the said certificate should be produced to Audit and further implementation should be monitored by Finance Department. The para was settled.**

12. Para III-D-2: Page 180 Loss of Rs.236,358/- to Government

8-10-2001: The Department explained that as a result of disciplinary proceedings, the accused Sub-Engineer had been removed from service and recovery of the amount of shortage had been imposed on him, which was being pursued as arrears of land revenue, through D.C.O, Sheikhpura.

The Committee directed that recovery should be pursued by Administrative Department and monitored by Finance Department. **The para was settled.**

13. Para III-I-1: Page 184; Giving Less Credit-Rs.60,666/-

8-10-2001: The Department explained that full amount had been recovered through book adjustment.

The Committee directed that Audit should carry out sample check of some adjustments and Finance Department may monitor it. The para was settled.

14. Para V-A-1: Page 189; Non Maintenance of Record-Rs.371,270,000/-

25-6-2001: The Department explained that total lot of equipment and spare parts procured from the USAID was received by the Department and transferred to various zones and divisions. Therefore, the Lahore Division should be required to show Accountal only in respect of the equipment and spare parts received by it and not the entire lot procured by the Department. The Lahore Zone Chief Engineer explained that this division had received five vehicles in July 1991 which had been supplied to the ISRP Division-II Lahore from a lot of 16 vehicles received by central

stores division Lahore through the USAID. Five vehicles were duly entered in the PNP register and had been handed over to its sub divisional offices.

Further, the division received one computer and an air-conditioner which had been entered in the PNP register.

The Committee directed the Department to produce the entire relevant record to Audit and get it verified before the next meeting. **The para was kept pending.**

19-9-2001: The Committee re-iterated its earlier direction dated June 25, 2001, that whole record of the machinery and equipment received from the Aid-giving Agencies, should be produced to Audit without further loss of time. Moreover, the report of inquiry held by the Department into the matter should also be produced to Audit. The para was kept pending.

24-10-2001: The para was considered with reference to PAC directive dated September 20, 2001.

The Department explained that the inquiry report had been given to Audit for comments. **The para was settled subject to verification of record by Audit.**

15. Para V-B-1: Page 181; Payment against Financial rules Rs.38,822,375/-

26-6-2001: Audit had pointed out that Machinery Division, Lahore had incurred an expenditure of Rs.41,572,375/- against the "Suspense Grant" of Rs.2,750,000/-.

The Department could not satisfy the Committee as to why the budget grant under the head 'suspense' had been exceeded, and as to why the recovery from other divisions had not been made even after lapse of a long period.

The Committee directed that its observations and directions given in Para II-A-3 should also apply to the Para V-B-1. The para was accordingly kept pending.

21-9-2001: The Committee directed that the case of excess expenditure over budget allocation in the "Suspense" head should be referred to Finance Department and further action be taken according to the directives of that Department. The Committee directed that further action in the matter should be monitored by the Finance Department. **With the above directions, the para was settled.**

16. Para VI-B-1: Page 193; Mis-use of Government Money Rs.818,000/-

26-6-2001: Audit had objected to the charging of certain expenditure to "P.W. Deposit", in contravention of Rules. The Department explained that an amount of Rs.400,000/- had already been adjusted against "Stock Storage" leaving a balance of Rs.418,000/-. The Department further explained that the expenditure was charged to "P.W. Deposit" in unavoidable circumstances for paying salaries to work-charge employees.

The Committee advised the Department to get the expenditure regularized from the Finance Department and resort to right sizing of the staff. The para was kept pending.

21-9-2001: The Department explained that the matter for regularization of the expenditure had been referred to the Finance Department. The Committee directed the Department to get the expenditure regularized by the Finance Department and submit its report in the next meeting. The para was kept pending.

23-10-2001: The Department explained that the case for regularization of the expenditure was referred to the Finance Department who have returned it with some observations on October 16, 2001.

The para was settled with the direction that the Department may pursue the matter and take consequential action accordingly. Finance Department would monitor progress and report to the Committee.

Annexure Paras

1. Para III-1(7)/1985-86: Page 373; Serial 6. Shortage of Stores-Rs.47,433/-

19-9-2001: The Department stated that the recovery of Rs.4,375/- had been got verified by Audit. The case for write off of the remaining amount of Rs.43,058/- had been referred to Finance Department. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated September 19, 2001.

The Department explained that recovery of Rs.4,375/- had been made and got verified by Audit. The case for write off of remaining amount of Rs.43,058/- had also been referred to the Finance Department. **The para was settled with the direction that the Department may pursue the case of write off.**

2. Para II-9/1986-87: Page 374; Serial 9, Excess Payment of Rs.67,201/-

25-6-2001: The Department explained that the deduction of shrinkage, as pointed out by Audit, was not required in accordance with the instruction No.2 printed at page 25 of Composite Schedule Rates of 1979, therefore, question of an excess payment is not involved in this case.

The Department was directed to produce the relevant record to Audit to substantiate its contention. The para was kept pending.

19-9-2001: The Department stated that the relevant Measurement Book was not available. The Committee directed that the excess payment pointed out by Audit should be recovered from the officers responsible for the excess payment and action should be taken against the official responsible for loss of the Measurement Book. The para was kept pending.

24-10-2001: The para was considered with reference to PAC directive dated September 20, 2001.

The Department explained that the XEN and the concerned SDO both had died many years ago, and the Sub Engineer had retired from service since long and his whereabouts were being located. Similarly, the whereabouts of M Yousaf & Co contractor were also being located for effecting recovery in the light of the above cited PAC directive.

As to the loss of measurement book, action under E&D Rules was being initiated as preliminary inquiry had been concluded. **The para was settled with the direction that the Finance Department may monitor and report progress in the case.**

3. Para II(10) of 1987-88 Page 376 read with Serial 21, Risk and Cost Charges-Rs.51,085/- (Reduced amount Rs.42,301/-)

20-9-2001: The Administrative Department explained that the recovery of Rs.9,000/- had been got verified by Audit and the balance recovery of Rs.33,301/- from the contractor was being pursued and action had been initiated against the concerned SDO. The XEN had since expired on September 14, 1989 and the Divisional Accountant retired from service during 1996. **The para was settled with the direction that the balance recovery of Rs.33,301/- should be pursued and recovered by the Administrative Department and monitored by the Finance Department.**

4. Para II(11)/1987-88: Page 376; Serial 22, Non-recovery of Rs.843,534/-

20-9-2001: Audit reported that as a result of verification of record the amount of the para was reduced to Rs.15,200/-, which was required to be effected.

The para was settled with the direction that the recovery should be pursued by the Department and monitored by the Finance Department.

5. Para IV(1)10/1987-88: Page 376; Serial 24, Shortage of Trees-Rs.227,500/-

20-9-2001: Audit reported that as a result of verification of record the balance outstanding amount was Rs.2,800/-. **The para was settled subject to write off sanction regarding six stolen trees, and verification of the write off sanction by Audit.**

6. Para IV(iv)I/1987-88: Page 376; Serial 28, Non-Auction of Unserviceable Material Rs.567,262/-

8-10-2001: The Committee observed that **Finance Department may monitor the case. The para was settled.**

7. Para I(4)/1987-88: Page 377; Serial 33, Excess Payment Rs.182,301/-

25-6-2001: The Department explained that as per directive of the PAC dated July 30, 1996 the balance amount of Rs.98,026/-, which was overpaid to a contractor on account of excessive rate for dressing of earth work in addition to the compaction during August 1984, had been recovered from the contractors. The Department stated that the XEN responsible for excess payment would be proceeded against under the Efficiency and Discipline Rules.

The Committee directed the Department to get the recovery verified by Audit. The Committee further directed that the final action taken under Efficiency and Discipline proceedings should be intimated to PAC Secretariat. The para was settled.

8. Para I(10)/1987-88: Page 377; Serial 36, Excess Payment of Rs.142,884/-

25-6-2001: The para was considered in the light of direction of PAC dated December 20, 1995.

The Department explained that as verified by Audit, the actual recoverable amount of the para was Rs.65,995/-. The para was deferred to June 27, 2001 for certain clarifications from Audit about the reduction in the amount of para.

On June 27, 2001, the Department informed that all the recoverable amount of Rs.65,995/- had been recovered. The para was settled subject to verification by Audit.

27-6-2001: The Department explained that the actual amount of the para had been reduced to Rs.66,000/- which had been recovered from the contractor. **The Committee settled this para subject to the verification of record by Audit.**

9. Para I-13/1987-88: Page 378; Serial 38, Excess payment Rs.232,200/-

25-6-2001: The para was discussed in the light of directive of the PAC dated December 17, 1992. Audit informed the Committee that on the basis of the Inquiry Report submitted by the Additional Secretary, the Secretary, Irrigation & Power Department had ordered recovery from the XEN concerned in 1996. However, in 1997, the Secretary, Irrigation & Power Department wrote to Audit for settlement of the para. The Committee directed that the Administrative Secretary should personally probe into the matter and submit a report to the Committee in the next meeting. The para was kept pending.

19-9-2001: The Department explained that after inquiry, the amount of recovery had been assessed as Rs.10,000/-.

The Department was directed to provide a copy of the inquiry report to Audit for further comments. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated September 19,

2001.

On September 19, 2001, the Department had stated that after inquiry the amount of recovery has been assessed as Rs.10,000/- but the Department was directed by the Committee to submit the Inquiry Report to Audit for further comments. The Department stated that an amount of Rs.10,000/- on account of excess payment due to difference of rates had been recovered from the contractor and relevant record had been produced to Audit. **The Committee settled the para subject to verification of record by Audit.**

10. Para IV-I(3)/1987-88: Page 378; Serial 43, of Rs.126,400/- on Account of Shortage of Stock

25-6-2001: The para was considered in the light of direction of PAC dated December 20, 1995.

The Department explained that the actual amount of the para had been reduced to Rs.61,625/- out of which Rs.23,200/- had been recovered, and the balance amount was also being recovered.

The Department was directed to make balance recovery of Rs.38,425/- and get it verified by Audit. Copies of the recovery order should be provided to Audit and the PAC Secretariat. The para was settled subject to making of balance recovery and its verification by Audit.

19-9-2001: On the assurance of the Department that the recovery was being effected from the pay of the official regularly, **the Committee settled the para and directed the Finance Department to monitor the recovery.**

11. Para V(1)/1987-88: Page 379; Serial 47, Shortage of Stores-Rs.10,900/-

25-6-2001: With reference to direction of PAC dated December 20, 1995, the Department explained that Sub-Engineer Mr Zaheer-ud-Din had deposited the first installment of Rs.2,725/- out of the total recoverable amount of Rs.10,900/-, and then disappeared. He had been dismissed from service in April 1993.

The Department further stated that he would not be allowed final payment of his G.P. Fund unless he clear the Government dues.

The Committee directed that a copy of the order passed by the Department for not allowing final payment of his G.P. Fund before clearance of the Government dues should be provided to PAC Secretariat. The para was kept pending for recovery of the balance amount.

19-9-2001: **The para was settled with the direction that the amount of Rs.8,175/- should be recovered or got written off by the competent authority.**

12. Para I-20/1987-88: Page 379; Serial 51, Loss due to defective execution of work-Rs.36,075/-

8-10-2001: The Department explained that efforts were being made for the recovery of balance amount as arrear of land revenue.

The Committee directed that the Department should effect the requisite recovery at the earliest and the progress should be monitored by the Finance Department. The para was settled.

24-10-2001: The para was considered with reference to the minutes of the meeting dated 8.10.2001 in which the Department was directed to effect the requisite recovery at the earliest. The Department reported that recovery of Rs.7,636/- had been effected which had been verified by Audit, leaving a balance of Rs.28,439/-.

The Committee reiterated its earlier decision and advised the Department to finalise action expeditiously. **The para was settled with the direction that the Finance Department may monitor and report the realization of recovery.**

13. Para V-7/1987-88: Page 380; Serial 58, Mis-appropriation of store Rs.824,872/-

21-9-2001: The Department explained that the amount of Rs.334,209/- recovered by ACE was in process of being transferred to Irrigation & Power Department and the case for write-off of the balance amount (Rs.90,463/-) had been referred to the Finance Department. **The para was settled subject to the implementation of the decision taken by the Finance Department in the case.**

(Revenue Receipts Audit)

1. Para 8.1: Page 71; Non-recovery of water charges PDP 4032-DCO-Hakara Division Bahawalnagar-Rs.202,379/-

14-3-2001: The para was based on the plea that the Superintending Engineer was competent to grant a contract for supply of water for non-irrigation purposes only up to one year. The Department, however, explained that under the Delegation of Financial Power Rules 1990, he was competent to grant such a contract up to a period of 3 years.

The Committee directed the Department to produce relevant provisions/record to Audit for verification. The para was kept pending.

18-9-2001: The Department explained that the recoverable balance was Rs.52,437/-. **The item was settled with the observation that the balance recovery should be pursued by the Administrative Department and monitored by Finance Department, who would report progress to the Committee.**

2. Para 8.1: Page 71; Non-recovery of water charges PDP 4393 DCO Eastern Bar, Pakpattan-Rs.30,052/-

14-3-2001: The Department explained that an amount of Rs.68,996/- had been realized, leaving a balance of Rs.91,320/-.

The Committee directed the Department to get the recovered amount verified from Audit and effect recovery of the balance amount. The para was kept pending.

18-9-2001: The Department explained that the balance recovery of Rs.10,651/- was still in progress.

The item was settled with the observation that recovery be effected and got verified by Audit and Finance Department should monitor the recovery and report progress to the Committee.

3. Para 8.1: page 71; Non-recovery of water charges PDP 4393 DCO Rasul-Rs.160,316/-

14-3-2001: The Department was directed to get the reported recovery of Rs.68,996/- verified by Audit and recover the balance amount of Rs.91,320/-. The para was kept pending.

18-9-2001: **The item was settled** with the observation that the balance recovery of Rs.91,321/- be effected and got verified by Audit and Finance Department should monitor the recovery and report to PAC.

4. Para 8.5: Page 7; loss of special charges (Tawan) due to incorporation of incorrect figures in Khataunies PDP 4483

14-3-2001: Audit reported that certain Tawan cases finalized by DCO were incorrectly incorporated in the Khathauies causing loss of revenue of Rs.240,289/-. The Department explained that the observation of Audit was not based on facts.

The PAC directed the Department to produce relevant record to satisfy Audit. The para was kept pending.

18-9-2001: The Department explained that the whole difference pointed out by Audit amounting to Rs.240,289/- had been incorporated in the Khataunies and verified by Audit. **The item was settled with the direction that the**

progress of recovery be got verified by Audit.

5. Para 8.6: page 74 & 75; Blockage of Govt. revenue due to non-finalization of cases of special charges PDP 2696 DCO (FBD)-Rs.418,409/-

14-3-2001: The Department explained that all the cases of imposition of special charges of Tawan pointed out by Audit in the para had been decided keeping in view the merits of each case.

The Department further explained that the recovery of the amount of Rs.418,409/- had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled with the direction that Administrative Department should pursue the recovery of the balance amount and Finance Department should monitor it and report progress to the Committee.

6. Para 8.6: page 74 & 75; PDP 2632 DCO Sheikhpura Division-Rs.97,364/-

14-3-2001: The Department stated that full amount of Rs.97,364/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled with the observation that the recovery should be got verified by Audit.

7. Para 8.6: pages 74 & 75; Blockage of Govt. revenue due to non-finalization of cases of special charges PDP 2698 DCO Gujranwala-Rs.414,161/-

14-3-2001: The Department stated that full amount of Rs.414,161/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The Department stated that all cases had been decided and partial recovery had been made. **The item was settled subject to recovery and its verification.**

8. Para 8.6: Page 74 & 75; PDP 3006 DCO Kasur-Rs.35,195/-

14-3-2001: The Department stated that full amount of Rs.35,195/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled with the observation that necessary recovery be effected by Administrative Department and monitored by the Finance Department, who should report progress to the Committee.

9. Para 8.6: Pages 74 & 75; PDP 4205 DCO Lahore-Rs.64,919/-

14-3-2001: The Department stated that full amount of Rs.64,919/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled with the observation that necessary recovery be effected by the Administrative Department and monitored by the Finance Department, who should report progress to the Committee.

10. Para 8.6: Pages 74 & 75; PDP 4202 DCO Lahore-Rs.1,223,787/-

14-3-2001: Audit reported that certain cases of special charges (Tawan) were lying outstanding since long which resulted in blockade of Government revenue of Rs.1,223,787/-. The Department stated that some cases had been

decided and the remaining cases would be decided shortly. The Committee directed the Department to decide all the pending cases and get the position verified by Audit. The para was kept pending.

18-9-2001: The item was settled with the observation that the necessary recovery be effected by Administrative Department and monitored by Finance Department, who should report progress to the Committee.

11. Para 8.6: Pages 74 & 75; PDP 4026 DCO Sadiqia Division-Rs.935,220/-

14-3-2001: The Department explained that all these cases had been finalized/decided by the competent authority under the rules. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled with the observation that the necessary recovery be effected by Administrative Department and monitored by Finance Department, who should report progress to the Committee.

12. Para 8.6: Pages 74 & 75; PDP 4029 Fordwah Division-Rs.242,162/-

14-3-2001: The Department stated that full amount of Rs.242,162/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled subject to verification of recovery by Audit. The Finance Department was directed to monitor it and report progress to the Committee.

13. Para 8.6: Pages 74 & 75; PDP 4030 DCO Hakra Division-Rs.109,916/-

14-3-2001: The Department stated that an amount of Rs.103,761/- involved in this para had been recovered, the recovery of the balance amount of Rs.6,155/- was in process. The para was settled subject to full recovery and its verification by Audit.

18-9-2001: The item was settled with the direction that the recovery be got verified by Audit and Finance Department may monitor the same and report the progress to the Committee.

14. Para 8.6: Pages 74 & 75; PDP 4522 DCO Kirana Division-Rs.1,319,269/-

14-3-2001: The Department stated that an amount of Rs.631,992/- had been liquidated leaving a balance of Rs.687,264/-. The para was kept pending, with the direction to effect full recovery and get it verified by Audit.

18-9-2001: The Committee directed that the recovery in this case should be pursued by Administrative Department and monitored by Finance Department, who should report progress to the Committee. **The item was settled.**

15. Para 8.6: Pages 74 & 75: PDP 4392 DCO Eastern Bar Pakpattan-Rs.260,575/-

14-3-2001: The Department stated that the entire amount of Rs.260,575/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled with the direction that the recovery be got verified by Audit and Finance Department may monitor the same and report progress to the Committee.

16. Para 8.6: Pages 74 & 75 PDP 4374 DCO Sulamanki-Rs.379,598/-

14-3-2001: The Department stated that the entire amount of Rs.379,598/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled with the direction that the recovery be got verified by Audit and Finance Department may monitor the same and report to the Committee.

17. Para 8.6: Pages 74 & 75; PDP 4377 DCO Kasur-Rs.294,288/-

14-3-2001: The Department stated that the entire amount of Rs.294,288/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled with the direction that the recovery be got verified by Audit and Finance Department may monitor the same and report to the Committee.

18. Para 8.6: Pages 74 & 75; PDP 4315 DCO Kot Addu-Rs.19,500/-

14-3-2001: The Department stated that the entire amount of Rs.19,500/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled with the direction that the recovery be got verified by Audit and Finance Department may monitor the same and report to the Committee.

19. Para 8.6: Pages 74 & 75; PDP 4316 DCO Kot Addu-Rs.10,823/-

14-3-2001: The Department stated that the entire amount of Rs.10,823/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled with the direction that the recovery be got verified by Audit and Finance Department may monitor the same and report to the Committee.

20. Para 8.6: Pages 74 & 75; PDP 4318 DCO Muzafargarh-Rs.70,116/-

14-3-2001: The Department stated that the entire amount of Rs.70,116/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The item was settled with the direction that the recovery be got verified by Audit and Finance Department may monitor the same and report to the Committee.

21. Para 8.6: Pages 74 & 75; PDP 4525 DCO Shekhupura Division-Rs.35,575/-

14-3-2001: The Department stated that the entire amount of Rs.35,575/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: The Committee directed that the recovery in this case should be pursued by Administrative Department and monitored by Finance Department, who should report progress to the Committee. **The item was settled.**

22 Para 8.6: Pages 74 & 75; PDP 4523 DCO Kirana Sargodha-Rs.75,200/-

14-3-2001: The Department stated that the entire amount of Rs.75,200/- involved in this para had been liquidated. **The para was settled subject to verification of record by Audit.**

18-9-2001: The Committee directed that the recovery in this case should be pursued by Administrative Department and monitored by Finance Department, who should report progress to the Committee. **The item was**

settled.

23. Para 8.6: Pages 74 & 75; PDP 4597 DCO Kirana Shahpur-Rs.972,021/-

14-3-2001: The Department stated that the entire amount of Rs.972,021/- involved in this para had been liquidated. **The para was settled subject to verification of record by Audit.**

18-9-2001: The Committee directed that the recovery in this case should be pursued by Administrative Department and monitored by Finance Department, who should report progress to the Committee. **The item was settled.**

24. Para 8.6: Pages 74 & 75; PDP 4524 Shahpur Division-Rs.190,239/-

14-3-2001: The Department stated that the entire amount of Rs.190,239/- involved in this para had been liquidated. **The para was settled subject to verification of record by Audit.**

18-9-2001: The Committee directed that the recoveries in these cases should be pursued by Administrative Department and monitored by Finance Department, who should report progress to the Committee. **The items were settled.**

25. Para 8.6: Pages 74 & 75; PDP 4623 DCO Multan-Rs.428,491/-

14-3-2001: The Department stated that the entire amount of Rs.428,491/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: **The item was settled with the direction that the recovery be got verified by Audit and Finance Department may monitor the same and report to the Committee.**

26. Para 8.6: Pages 74 & 75; PDP 4576 DCO Gujranwala-Rs.433,829/-

14-3-2001: The Department stated that the entire amount of Rs.433,829/- involved in this para had been liquidated. The para was settled subject to verification of record by Audit.

18-9-2001: **The item was settled with the direction that the recovery be got verified by Audit and Finance Department may monitor the same and report to the Committee.**

27. Para 8.7: Page 76; PDP 4477 DCO Islam Head Works Division-Rs.146,203/-

14-3-2001: Audit had reported that in defiance of the provisions of the relevant law as well as explicit instructions of the Chief Engineer, the lease deeds had not been executed on Stamp Paper and were not got registered. It caused non realization of stamp duty and registration fee amounting to Rs.146,203/-.

The Department replied that lessee was asked to get the agreement registered but he failed to do so. The Committee directed that Administrative Department should take action against the officer who ignored the provisions of law and instructions of the Chief Engineer and caused loss to the Government. The para was kept pending.

18-9-2001: The Department stated that in compliance with the direction of the Committee dated 13-14 March 2001, an inquiry had been ordered into the matter. The inquiry report had been received and action initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed the Department that the inquiry report be submitted to Audit. **The item was settled with the observation that Finance Department should monitor the case/recovery and report to the Committee.**

Paras Pended

(Works Audit)

1. Para I-A-1: Page 150; Payment of Excessive Quantities-Rs.1,527,753/-

20-9-2001: The Department explained that the variation statement was duly sanctioned by the Competent Authority had been approved by NESPAK and that lead chart was available.

The Department was directed to show the record to Audit in support of its contention. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of meeting of PAC dated September 20, 2001.

The Committee was not satisfied with the explanation of the Department and directed that the Administrative Secretary may reexamine the matter at his level and submit report to the Committee in its next meeting. **The para was kept pending.**

2. Para I-A-6: Page 152; Payment of excessive quantities Rs.95,218/-

19-9-2001: Audit had pointed out that the quantity of earth work had been increased from 743,000 cft to 1,004,090 cft. The Department contended that the increase in quantity was covered in the revised technical sanction. Audit remarked that the increase in quantity was more than 35%. Moreover, original sanction had been accorded by the Chief Engineer, and Superintending Engineer was not competent to revise the same. The Department contended that the competence of Superintending Engineer had since been enhanced but the Committee observed that enhancement could not be exercised retrospectively.

The Department was directed to re-examine the case and take appropriate action in the matter including disciplinary action, if warranted, by the next meeting to be held on October 23, 2001. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated September 19, 2001.

The Department explained that action against the defaulting officers had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The para was kept pending with the direction that the Department may finalize the action within 2 weeks and inform the PAC Secretariat.

3. Para I-A-7: Page 153; Payment of Excessive Quantities-Rs.290,310/-

8-10-2001: The Department explained that no recovery was involved in this case. The Committee directed that the record be got verified by Audit. **The para was kept pending.**

4. Para I-A-8: Page 153; Payment of Excessive Quantities-Rs.63,563/-

8-10-2001: The Department explained that no recovery was involved in this case.

The Committee directed that the record be got verified by Audit. **The para was kept pending.**

5. Para I-B-4: Page 155; Excessive Measurements-Rs.188,363/-

8-10-2001: The Department explained that the recovery of actual amount of Rs.34,725/- had been effected and record was available for verification by Audit.

The Committee directed that the Department and Audit may reconcile their view point about the recoverable amount. **The para was kept pending.**

6. Para I-B-5: Page 155; Excessive Measurements-Rs.207,089/-

8-10-2001: The Department explained that no recovery was involved in this case.

The Committee directed that the record be got verified by Audit. **The para was kept pending.**

7. Para I-C-1: Page 156; Payments at higher rates-Rs.611,024/-

20-9-2001: Audit pointed out that the schedule rate was available in the CSR 1979 but the Department resorted to non-schedule item at higher rates. The Department stated that a probe was needed in the matter.

The Committee directed that the probe and consequential action should be completed before the next meeting to be held on October 23, 2001. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated September 20, 2001.

The Department explained that probe had been conducted in compliance with the directive of PAC dated September 20, 2001.

After discussion the Committee observed that the probe had not been made properly.

The para was kept pending with the direction that probe may be made again and report submitted to the PAC in its next meeting.

8. Para I-C-2: Page 156; Payment at Higher Rates-Rs.611,024/-

8-10-2001: The para was considered in the light of Departmental reply and Audit comments thereon.

The Committee was not satisfied with the explanation of the Department and directed that disciplinary proceeding should be initiated against the officials responsible in this case under the Punjab Removal from Service (Special Powers) Ordinance 2000; recovery may also be included in the charge sheets and recovery and action should be finalized expeditiously. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated October 8, 2001.

The Committee reiterated its earlier direction that disciplinary proceedings should be initiated against the officials responsible in this case under the Punjab Removal from Service (Special Powers) Ordinance 2000; recovery may also be made part of the charge sheet and recovery process should be finalized expeditiously. **The para was kept pending.**

9. Para 1-C-4: Page 157; Payments at Higher Rates Rs.81,685/-

26-6-2001: Audit reported that Mugalpura Irrigation Workshop purchased locally different type of Bearing and Country soap in November 1993, September 1994 and July 1995 at higher rate as compared to purchase rates of the same category from July 1994 to August 1996. It was also reported that 7 items were involved in the purchase.

The Department explained that the variation in rates of country soap was due to the inferior and superior

quality and also contended that only 2 items are involved and not 7 as reported by Audit.

The Committee directed that the Department to produce relevant record to Audit for verification. The Committee observed that in future specifications should be fixed before inviting tenders. The para was kept pending.

21-9-2001: The Department explained that the relevant record had been shown to Audit and instructions had been issued to all concerned that specifications of items should be fixed before inviting tenders. Audit stated that the record could not be verified in the absence of specifications of items.

The Department was directed to produce a copy of letter containing the said instructions to Audit. **The para was kept pending.**

10. Para I-D-1: Page 158; Non-application of reduction factor Rs.141,065/-

21-9-2001: (i) AP No.7421 Rs.63,986/-.

The Department stated that actual recoverable amount was Rs.20,063/-, while Audit stuck to the original amount of the Audit Para. The Department assured that the recoverable amount would be got verified by Audit and recovered from the contractor whose dues were available with the Department.

(ii) AP 7435

The Department explained that no extra payment was involved and undertook to get the record verified by Audit.

(iii) AP 7439 Rs.27,377/-

The recovery had been verified by Audit. After verification of this recovery, the amount of the Para stood reduced to Rs.113,688/-. The Para was kept pending for recovery/verification.

23-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated September 21, 2001. **The para was kept pending for recovery of Rs.113,688/- by the Department and its verification by Audit.**

11. Para I-D-2: Page 158; Non-Application of Reduction Factor-Rs.506,904/-

8-10-2001: The Department explained that partial recovery had been effected and the relevant record was available for verification. The Department further explained that efforts were being made for recovery of the balance amount.

The Committee directed that the recovery be effected at the earliest from the officials concerned and the relevant record should be produced to Audit. **The para was kept pending.**

12. Para I-D-3: Page 159; Non-Application of Reduction Factor-Rs.327,537/-

8-10-2001: The Department contended that finished work had been measured and paid.

The Committee directed that the record be shown to Audit for verification of Departmental contention. **The para was kept pending.**

13. Para I-D-4: Page 159; Non-Application of Reduction Factor-Rs.73,167/-

8-10-2001: The Department explained that measurements were based on finished work and rate allowed was correct.

The Committee directed the Department that the record be shown to Audit for verification of Departmental contention. **The para was kept pending.**

14. Para I-E-2: Page 160; Overpayment of Rs.227,583/-

13-3-2001: The Department admitted that the technical sanction was accorded after allotment of work to the Contractor.

The Committee directed that the Department should hold an inquiry to fix responsibility for the financial irregularity and over-payment pointed out by Audit and proceed to make the recovery of the over-payment besides disciplinary action against the persons responsible for over-payment. The para was kept pending.

27-6-2001: The Department explained that as per directive of the PAC dated March 13, 2001, the preliminary inquiry to fix responsibility on officers/officials concerned had been conducted by the Superintending Engineer Drainage Circle, Faisalabad and as per findings of the inquiry officer, Executive Engineer, Mr Nazir Anjum had been held responsible for the irregularities pointed out in this para. The Department, however, submitted that tenders were invited on the basis of estimates prepared/ submitted by sub divisional officer on December 31, 1993, wherein leads had been provided and accordingly technical sanctions were issued.

The Committee directed that its previous directive dated March 13, 2001 should be complied with in letter and spirit, and action should be taken under the Punjab Removal from Service (Special Powers) Ordinance, 2000. The para was kept pending.

19-9-2001: The Department explained that preliminary inquiry was conducted and formal inquiry had been ordered on September 5, 2001 under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that the inquiry and consequential action should be finalized before the next meeting to be held on 23-10-2001. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated September 19, 2001.

The Department explained that the inquiry report had been submitted to the Competent Authority (Secretary Irrigation & Power Department) on October 13, 2001.

The para was kept pending so that the Authority may pass its orders on the report under intimation to the PAC.

15. Para I-E-3: Page 161; Payment of Excessive Lead/Primia-Rs.64,206/-

8-10-2001: This para was considered in the light of Departmental reply and Audit comments thereon.

The Committee was not satisfied with the explanation of the Department and directed that the recovery be effected at the earliest from the responsible officers and the same be got verified by Audit. **The para was kept pending.**

16. Para 1-F-2: Page 161; Overpayment of Rs.159,310/-

13-3-2001: The Audit reported that the Department had not produced Measurement Book to Audit for verification after the lapse of four years. The Committee directed the Administrative Secretary to hold an inquiry to fix responsibility for not producing the Measurement Book to Audit for verification after such a long period. Audit should also ascertain whether this Audit Para had been framed without seeing the Measurement Book which was being demanded at that stage. The para was kept pending.

27-6-2001: The Department explained that as per directive of the Committee, dated March 13, 2001, the original measurement book and the final bill had been produced to Audit. During discussion, the Audit pointed out that:-

- (a) the measurement book had not been referred in the final bill;
- (b) the Final Bill was conditional; and
- (c) 10% shrinkage had also not been deducted.

The Committee directed that the Department should take action against the officers responsible for the irregularities.

The Committee also made the following observations about Audit:-

(1) The Audit was in possession of the requisite measurement book but at the time of last meeting, it did not search its own record and again required the Department to produce the Measurement book, which was a sheer wastage of time of Public Accounts Committee.

(2) In future the Audit must keep the whole record of all Audit paras before the PAC. The para was kept pending.

19-9-2001: The para was considered on 19 and 20 September, 2001.

The Department explained that as per direction of the Committee dated June 27, 2001, an inquiry was held into the case and after examination of the inquiry report, the Administrative Department had ordered a de-novo inquiry.

The Committee directed that inquiry and consequential action should be completed before the next meeting to be held on October 23, 2001. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated September 19, 2001.

The Department explained that disciplinary proceedings had been initiated against the defaulting officers under the Punjab Removal from Service (Special Powers) Ordinance 2000, and further informed the Committee that the inquiry proceedings will be completed within a week. **The para was kept pending.**

17. Para II-A-1: Page 163; Outstanding Government Dues-Rs.26,862,758/-

8-10-2001: Audit reported that as a result of verification, the amount of the para had been reduced to Rs.23,488,235/-.

The Department explained that verification of adjustment of a further amount of Rs.955,192/- was underway and efforts were being made for recovery of the balance amount.

The Committee expressed its concern over the delayed action and desired that suitable action be taken against those responsible for it. Action should also be taken on the recommendations of the inquiry Committee. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated October 8, 2001.

The Department explained that the inquiry would be completed within a couple of days.

The Committee was not satisfied with the progress in this case; **the para was kept pending** with the direction that the inquiry should be comprehensive and action against the persons held responsible for delay should also be taken.

18. Para II-A-3: Page 164; Outstanding Government Dues Rs.4,157,415/-

26-6-2001: The Department explained that the correct amount of the para was Rs.3,948,760/- and an amount of Rs.1,190,770/- had been recovered. However, an amount of Rs.2,757,990/- was outstanding, and that the arrears related to the period from February 1987 to June 1988.

The Committee directed the Department to produce the relevant record to Audit in support of reduction in the amount of para.

The Committee further directed that the persons who executed the work without receiving advance payment should be proceeded against. The client divisions which incurred the liability without budgetary allocation should also be called upon to explain the same. Similarly, the persons who remained incharge of the Workshop since 1988 should be called upon to explain the delay in taking action of recovery for a period of twenty years. Simultaneously other divisions should be asked to pay the arrears outstanding against them. The action should be completed by August 2001. The para was kept pending.

21-9-2001: Audit had verified the recovery of Rs.1,034,263/- and Rs. 208,353/- reducing the amount of the para to Rs.2,914,799/-

The Committee observed that the Department had not implemented its directive dated June 26, 2001, regarding disciplinary action against the concerned officials and directed the Department to implement its previous directive dated June 26, 2001 and finalize action before the next meeting. The para was kept pending.

23-10-2001: Audit stated that after verification of record, the amount of the para had been reduced from Rs.4,157,415/- to Rs.2,914,799/-.

The Department regretted the delay in the matter of taking action against the concerned officials who did not make adjustment of the expenditure in time inspite of the directives of PAC dated June 26, 2001 and June 21, 2001.

The Department undertook to earmark adequate funds from out of the current year's budget to enable the divisions concerned to adjust the outstanding amounts.

The para was kept pending with the direction that the Department may produce the record to Audit after adjustment of the accounts, and also inform the PAC Secretariat about it.

19. Para II-A-4: Page 165; Outstanding Government Dues Rs.1,929,229/-

26-6-2001: The Department explained that the amount in question was outstanding in suspense schedule on account of work done against other Division/Departments and recovery/adjustment was being pursued.

The Committee decided that its observations and directions given on Para II-A-3 should also apply to Para II-A-4. The para was accordingly kept pending.

21-9-2001: The Committee observed that the Department had failed to show any progress and directed that the recovery/adjustment of the outstanding dues, and disciplinary action as per directive of the Committee dated June 26, 2001 should be finalized expeditiously. **The para was kept pending.**

20. Para II-A-7: Page 166; Non-recovery of Government dues-Rs.652,000/-

21-9-2001: The Department explained that the notices had been issued to the officers responsible for non-adjustment of "P.W. Misc. Advance" for action under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Department was directed to finalize the recovery/adjustment of advance, as well as, disciplinary action expeditiously. **The para was kept pending.**

21. Para II-B-1: Page 168; Non-recovery of cost of Material Rs.1,311,504/-

26-6-2001: The Audit had pointed out that store/material worth Rs.1,311,504/- outstanding against various Sub-

Engineer/SDOs had been placed in “Misc. P.W. Advance”.

The Department explained that an amount of Rs.1,373,888/- had been adjusted to the monthly accounts and balance amount of Rs.1,174,116/36 would be adjusted after rendition of accounts or its deposit by the concerned officers.

The Committee directed that action should be initiated against the concerned officials/officers under the Punjab Removal from Service (Special Powers) Ordinance 2000. The para was kept pending.

21-9-2001: The Department explained that disciplinary action had been initiated against five SDOs and 17 Sub-Engineers on 13 September, 2001.

The Committee directed the Department to finalize the recovery/adjustment of “Misc. P.W. Advances” and disciplinary proceedings expeditiously. **The para was kept pending.**

22. Para II-C-1: Page 169 Rent/Electric Charges-Rs.1,470,880/-.

8-10-2001: The Department held that after a detailed inquiry, the names of the Ex-MPAs who had resided in the Canal Rest House, Lahore since 1985 and the amount of rent charges recoverable from each of them had been determined and notices of recovery had been issued to them under intimation to DCOs and the Monitoring Teams. The Finance Department suggested that the Election Authority may also be informed of the outstanding Government dues against the Ex-MPAs, and the Departmental inquiry report may also be submitted to Audit.

The Committee directed the Department to take note of this suggestion and to vigorously pursue the recovery and get the record verified by Audit. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated October 8, 2001.

The Department explained that inquiry had been completed and recovery of rent dues from 32 former MPAs was under process in respect of various Rest Houses used by them during the years 1993 to 1996.

The para was kept pending with the direction that the Department may consider sending copies of the Inquiry Report to the Election Commission and National Accountability Bureau and pursue the recovery. **The Finance Department may monitor and report progress in the matter.**

23. Para III-A-1: Page 172; Non-disposal of Material Rs.9,800,000/-

26-6-2001: The Department explained that out of 20 auctionable machines only 4 dozers could be auctioned at a cost of Rs.2,418,486/- and the auction process of the remaining machines was underway. The Committee directed that the auction be expedited. The para was kept pending.

21-9-2001: The Department explained that the deposit of Rs.2,418,486/- on account of auction price of 4 dozers had since been got verified by Audit and the action for auction of the remaining machinery through the Disposal Committee recently constituted by the Department was in process. **The para was kept pending.**

24. Para III-A-2: Page 172; Non-disposal of material-Rs.2,244,996/-

21-9-2001: The Department explained that the actual quantity of copper wire was 35,000 Kgs and the next auction would be held on 29 September, 2001. It had not been possible to auction the wire earlier as the highest bid received was less than the reserve price. Audit pointed out that the total quantity included in this para was 43,173 Kgs.

The Committee directed the Department to explain, in a revised working paper, the full facts of the case, and the position of the remaining quantity. The action for auction should be finalized expeditiously. **The para was kept pending.**

25. Para III-A-3: Page 173; Non-disposal of material Rs.142,872/-

21-9-2001: The Department explained that the survey report of un-serviceable/surplus material had been approved on February 23, 2001. No bid was received in response to the first tender notice. The notice had been re-advertised and date of auction fixed as September 29, 2001.

The Committee observed that unserviceable/surplus material had been lying for several years and the lack of action to dispose of the same was quite obvious.

The Department was directed to take action against the officers responsible for delay in auction. Moreover, the auction should now be finalized, and further necessary action taken expeditiously. **The para was kept pending.**

26. Para III-A-4: Page 173; Non-disposal of material-Rs.1,518,455/-**20-9-2001: Item 1: Disposal of Burnt Copper Wire**

The Department explained that the theft case of the burnt copper wire was under investigation with the police.

The Committee observed that the Department had badly delayed taking of action in the matter. The Committee directed that disposal of the material be expedited and action should be taken against the officers responsible for the delayed action. **The item was kept pending.**

Item 2: Disposal of Condemned Vehicles**Item 3: Disposal of Scrap Material**

The Committee directed that the disposal should be expedited. **The items were kept pending.**

27. Para III-A-5: Page 173; Non-disposal of material-Rs.10,774,831/-

20-9-2001: The Department explained that the details of the surplus material to be auctioned were being collected, but the entire record was not traceable. However, the physical verification of the material was also in process. The Department asked for three months time for disposal of the material.

The Committee directed the Department to finalize action expeditiously and progress be reported in the working paper of the next meeting to be held on October 23, 2001. The para was kept pending.

23-10-2001: The Department explained that out of 244 tubewells the material of 219 tubewells had been disposed of through auction and the material of remaining 25 tubewells was being auctioned.

The Department further stated that action had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000 against 23 sub-engineers who were responsible for delaying the auction.

The Committee observed that auction of the material was the duty of the competent authority and 23 sub-engineers could not be solely held responsible. The Department should therefore take action also against the higher officers responsible for this negligence.

The para was kept pending with the direction that the Department may complete the auction process and take action against the persons responsible for delaying the auction process.

28. Para III-A-6: Page 174; Non-disposal of material-Rs.12,535,400/-

20-9-2001: The Department explained that survey report of unserviceable stock, vehicles, etc. was under process.

The Committee took serious notice that action on this para had been inordinately delayed causing loss to the Government. It was therefore directed that the disposal of material should be expedited and proper action should be taken against the persons responsible for delayed action and loss to Government. **The para was kept pending.**

29. Para III-B-I: Page 175; Theft of Material-Rs.1,802,699/-

20-9-2001: The para was discussed on 20 and 21 September, 2001.

The Department explained that lodging of FIRs of stolen transformers was the responsibility of WAPDA.

On a query, the Department explained that WAPDA was informed well in time about the theft of transformers.

The Department pleaded that a para of the similar nature was settled by the PAC in 1992.

The Committee desired to see the previous decision of the PAC in which a similar para was settled as contended by the Department. **The para was kept pending.**

30. Para III-B-2: Page 175; Theft of material Rs.61,300/-

21-9-2001: The Department explained that theft cases had been reported to the Police which had declared eight cases as untraceable.

The representative of the Finance Department pointed out that the Department had failed to take action as provided in the Punjab Financial Rules for dealing with cases of loss sustained by the Government.

The Committee directed that the Department should hold an inquiry and fix responsibility of the loss in accordance with the procedure laid down in the Punjab Financial Rules.

The Committee further directed that the officers responsible for not holding the Departmental inquiry at the proper time in these cases should also be proceeded against under the Punjab Removal from Service (Special Powers) Ordinance, 2000. **The para was kept pending.**

31. Para III-B-4: Page 176; Theft of material-Rs.165,630/-

20-9-2001: The Department explained that Departmental inquiry into the para was in process.

The Committee directed that the inquiry and consequential action should be completed by the next meeting to be held on October 23, 2001. The para was kept pending.

23-10-2001: The Department explained that after the fact finding inquiry, action under the Punjab Removal from Service (Special Powers) Ordinance 2000, has been initiated against the accused officials. The Department also stated that recovery had been made part of the charge sheet. **The para was kept pending with the direction that the Department may take expeditious action and the Finance Department may monitor the same.**

32. Para III-B-5: Page 177; Theft of material-Rs.300,775/-

20-9-2001: Audit had verified the account of material worth Rs.114,395/- and reduced the amount of the para to Rs.186,380/-.

The Department explained that inquiry into the case was in process.

The Committee directed that the inquiry and consequential action should be completed by the next meeting to be held on 23.10.2001. The para was kept pending.

23-10-2001: The Department explained that inquiry had been completed and recovery imposed on the accused officials. The Department was directed to take further necessary action and submit a report to the Committee in the next meeting. **The para was kept pending.**

33. Para III-B-6: Page 177; Theft of Material - Rs.189,100/-

8-10-2001: The Administrative Secretary desired to review this case and initiate necessary action for negligence

in this case before providing the Department's reply to the para. **The para was kept pending.**

34. Para III-C-3: Page 179; Misappropriation of material-Rs.173,725/-

20-9-2001: The Department explained that inquiry had been initiated against the defaulter.

The Department was directed to finalize the inquiry and consequential action by the next meeting to be held on October 23, 2001. The para was kept pending.

23-10-2001: The Department explained that the action against five Sub-Engineers under the Punjab Removal from Service (Special Powers) Ordinance 2000 and against two Sub-Engineers under Pension Rules, had been initiated on 24 September, 2001. **The para was kept pending with the direction that the Department may complete the action expeditiously and submit its report to the Committee.**

35. Para III-C-4: Page 179; Misappropriation of material Rs.1,232,415/-

20-9-2001: The Department explained that the grease/turbine oil had been taken in the consumption register. Moreover, a Departmental inquiry was also under process with the XEN and final action would be taken in the light of inquiry report/decision of the competent authority. **The para was kept pending.**

36. Para III-D-1: Page 180; Shortage of Material Rs.223,106/-

26-6-2001: The Department explained that as some parts were in un-serviceable condition the amount of shortage was reduced to Rs.138,358/30 by the competent authority. As a result of inquiry, under the E&D rules, a major penalty of recovery of Rs.138,358/30 was imposed upon Mr. Abdul Haq, Sub Engineer. On appeal, the penalty of recovery was set aside by the Punjab Service Tribunal, and the Department had filed an appeal in the Supreme Court against the decision of the Punjab Service Tribunal which is pending for decision. The Department further informed that the Punjab Services Tribunal had set aside the punishment order on technical and procedural grounds.

The Committee directed the Department that the advice of the Advocate General Punjab be obtained for holding de-novo inquiry against all the persons concerned, including the said Sub-Engineer, and action should be taken as per advice of the Advocate General. The para was kept pending.

21-9-2001: The Department explained that the Supreme Court of Pakistan vide its judgement dated July 17, 2001 rejected the appeal of the Department and observed that the Department may, if so advised, proceed with the inquiry afresh. The Department stated that a de-novo inquiry had been ordered on August 25, 2001. The Committee directed the Department to report the progress of the case in its next meeting. The para was kept pending.

23-10-2001: The Department explained that a de novo inquiry had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Department was directed to complete the inquiry within the stipulated period prescribed in the relevant law, and action be taken against the inquiry officer for delay in completing the inquiry. **The para was kept pending.**

37. Para III-D-4: Page 181; Shortage of Material-Rs.1,745,800/-

8-10-2001: The Department explained as under:-

(i) Shortage of Rs.862,000/-

The recovery of the amount had been imposed on the concerned Sub-Engineer and was being made @ 1/3 of his pay.

(ii) Shortage of Rs.685,500/-

Penalty of Rs.505,500/- had been imposed and Rs.198,300/- had been recovered from the Sub-Engineer concerned.

The Committee directed the Department to review the cases as to whether the recovery would be practically possible as per recovery orders. Moreover, the amount recovered be got verified by Audit. The para was kept pending.

24-10-2001: The para was considered with reference to PAC directive dated September 20, 2001.

The Department explained that as per PAC directive dated 8.10.2001 recovery of Rs.35,258/- @ 1/3 of pay had been recovered from the official at fault.

The Committee directed that the Department should re assess the recoverable amount in consultation with Audit. **The para was kept pending.**

38. Para IV-A-1: Page 185; Payment Without Funds-Rs.1,242,796/-

8-10-2001: The Department explained that while examining the Appropriation Accounts for the year 1994-95, the PAC had already settled the overall grant, therefore, excess in component might be ignored.

The Committee did not accept the explanation of the Department and directed that the Department should inquire into the excess expenditure incurred by the XEN over the budgetary allocation and take appropriate action against him and his Divisional Accountant, besides getting the irregularity regularized by the competent authority. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated 8.10.2001 whereby the Department was required to inquire into the excess expenditure incurred by the XEN over the budgetary allocation and take appropriate action against him and his divisional accountant, besides getting the excess expenditure regularized by the competent authority.

The department explained that they had not so far taken any action on the directive of the Committee dated October 8, 2001.

The Committee expressed its displeasure on the inaction on the part of the Department and reiterated its previous decision dated October 8, 2001. **The para was kept pending.**

39. Para IV-D-1: Page 188; Payment of lead without sanction Rs.81,965/-

21-9-2001: After seeing the record, Audit had commented that technical sanction had been given on February 28, 1994 on the basis of work done in 1991. Moreover, lead allowed to the contractor was not provided in the DNIT. The Department undertook to look into the matter and take necessary action for recovery and also initiate disciplinary action against official held responsible in the case. The para was kept pending.

23-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated September 21, 2001.

The Committee reiterated its earlier decision dated September 21, 2001, and directed the Department to complete recovery process and action against the persons at fault expeditiously. **The para was kept pending.**

40. Para V-D-1: Page 191; Expenditure in Excess/without Deposits Rs.1,173,835/-

26-6-2001: The Department explained that an amount of Rs.624,983/- had been recovered and efforts were being

made for recovery of the balance amount of Rs.548,852/- from the different divisions/ Departments, including the Provincial Assembly of the Punjab, who owed Rs.13,651/95.

The Committee directed that the amount recovered be got verified by Audit and the balance amount be recovered expeditiously. The Assembly Secretariat was also directed to settle its accounts if any. **The para was kept pending.**

During discussion on the para of the Audit Report for the year 1996-97 relating to Mughalpura Irrigation Workshop, the Committee was informed that official car No. LHZ-9601 provided by S&GAD to the Leader of Opposition, Provincial Assembly of Punjab met with an accident and was sent to the Mughalpura Irrigation Workshop for repair on May 29, 1991. In the mean time the Leader of Opposition was provided with an other official car by the Services General Administration & Information Department and the Assembly Secretariat informed the Transport Officer, S&GAD to collect the vehicle No. LHZ-9601 from the Mughalpura Irrigation Workshop as and when repaired. The XEN Mughalpura Irrigation Workshop informed on April 26, 1993 that vehicle No. LHZ-9601 had been repaired and a bill amounting to Rs.153,155/80 may be paid and delivery of the vehicle obtained from the Workshop. The Assembly Secretariat accordingly informed the S&GAD to take over the official car from the Mughalpura Irrigation Workshop and make payment of the bill. On July 26, 1995 the Deputy Secretary Transport, S&GAD wrote to the Executive Engineer, Mughalpura Irrigation Workshop that car No. LHZ-9601 which was sent to the Mughalpura Irrigation Workshop through Provincial Assembly for repair should be returned immediately to the S&GAD.

The Committee directed that the Irrigation & Power Department should hold an inquiry to ascertain the facts of the case including:-

- (1) under what circumstances the Mughalpura Irrigation Workshop took such a long time to repair the vehicle;
- (2) under what authority the vehicle was retained by the MIW after repairs;
- (3) on what date the vehicle was returned to S&GAD;
- (4) who had been using the car during period it remained in the custody of Mughalpura Irrigation Workshop;
- (5) who is responsible for this misuse of the car and what action is proposed to be taken for misuse of the car;
- (6) whether the Bill of repairs had been paid to the Mughalpura Irrigation Workshop

21-9-2001: The Department explained that an amount of Rs.623,440/- had been recovered and got verified by Audit and in the meantime a further amount of Rs.500,000/- had been recovered and efforts were being made to recover the balance amount of Rs.50,395. The para was kept pending.

The Department explained that as per directive of the Committee dated June 26, 2001, an inquiry was held by the Chief Engineer, Bahawalpur Zone into the matters relating to the repair and misuse of official vehicle No.LHZ-9601. According to the inquiry report the repair bill amounting to Rs.153,155/- was still recoverable from SGA & ID. The inquiry report had also concluded that since no petrol had been issued for the said vehicle during the period it remained with the Mughalpura Irrigation Workshop, it had not been misused by any body.

The Committee observed that all the six points raised by the Committee about the said vehicle in the minutes dated June 26, 2001, had not been covered in the working paper. The Committee directed that a fresh inquiry

should be held into the matter. A representative of the Punjab Assembly Secretariat should be associated with this inquiry. The conclusions of the inquiry along with the full facts should be explained in the Department's working paper for the next meeting. **The para was kept pending.**

41. Para VI-A-2: Page 192; Blockage of Government Money-Rs.8,984,904/-

8-10-2001: The Department explained that through a Departmental inquiry the latest position of the stock had been determined and further action was in process. The Committee observed that fact finding inquiry had been held at a belated stage. The rules regarding annual physical stock taking had not been followed. The inventory management system of the Department needed streamlining and improvement. The Department should ascertain the position of stocks in other divisions, and also initiate necessary action for improving the inventory management system. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated October 8, 2001.

The Department explained that instructions have been issued to all concerned to meticulously follow the instructions regarding annual physical stock taking and inventory management system. It was further explained that inquiry had been initiated against the officers/officials at fault on October 13, 2001.

The para was settled with the direction that the Department may intimate the Committee the progress of disciplinary action being taken against the defaulters, and the Finance Department may monitor the same.

Annexure Paras

1. Para 97(7)/1982-83: Page 373; Serial 5, Shortage of stores-Rs.46,946/-

21-9-2001: It was observed that the Department had not implemented the directions of the PAC dated August 4, 1987 and January 31, 1996. The Department stated that the accused Sub-Engineer was later promoted as SDO and had since died. The authorized officer had also retired.

The Committee took serious note of the lapses and delays in this case. The Administrative Secretary undertook to probe into the matter as to why the case was shelved, how the Sub-Engineer was promoted when inquiry was pending against him. The para was kept pending.

23-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated September 21, 2001.

The Department explained that fact finding inquiry had been completed, and it had been found that the matter was delayed by the officers concerned both at the field as well as at the Secretariat level.

The Committee observed that the Department had failed to take action in this case since 1975. The directions contained in the minutes of the meeting of PAC dated August 4, 1987 and January 31, 1996 had not been attended to, nor had the case been submitted to the Minister concerned in 1996 inspite of the directions to this effect.

The para was kept pending with the direction that the Administrative Secretary may look into the matter personally and a report be submitted to the Committee within two months without fail.

2. Para II(18)/1986-87: Page 374; Serial 11, Excess Payment of Rs.89,969/-

8-10-2001: After considering the Departmental reply, the Committee directed that the recovery pointed out by Audit in the para should be effected. **The para was kept pending.**

3. Para IV(I)6/1987-88: Page 375; Serial 14, Shortage of store-Rs.354,906/-

(i) Item 1 Rs. 531,347/-

20-9-2001: The Department explained that de-novo fact finding inquiry had been ordered. The Committee observed that inordinate delay had been made in this case in implementing PAC directive dated December 20, 1995 and directed the Department to complete action by October 23, 2001. The item was kept pending.

(ii) Part-II, Item 3 Rs.351,906/-

The Department explained that the material lying in the Police Malkhana Sheikhpura, being substandard had not been collected.

The Committee directed the Department to thrash out the facts of the case and give full details in the working paper of the next meeting to be held on October 23, 2001. The item was kept pending.

23-10-2001: The Department stated that de novo inquiry had been initiated in this case. The Committee again observed with concern that inordinate delay has been made in this case in implementing the PAC directive dated January 20, 1995.

The Department was directed to complete action expeditiously. **The para was kept pending.**

4. Para IV(I)7-8/1987-88: Page 375; Serial 15, Shortage of material-Rs.978,200/-

20-9-2001: The Committee noticed with concern that action on PAC directive dated December 20, 1995 had been badly delayed and directed that de-novo inquiry should be held and necessary action be completed by the next meeting to be held on October 23, 2001. The para was kept pending.

23-10-2001: The Department explained that a fact finding inquiry was under process and the action against the defaulters would be taken in the light of the inquiry report.

The para was kept pending with the observation that inordinate delay had been made in this case. The Committee directed the Department to take expeditious action in the matter.

5. DP IV-ii-5/1987-88: Page 79; Serial 16, Loss of Rs.212,000/- to Government Due to Theft of Trees

19-9-2001: The Department explained that after verification of record/recovery by Audit, the outstanding balance was Rs.19,348/- which was recoverable from Mr Muhammad Yaqoob SDO (deceased). The Committee observed that the amount previously shown recoverable from Mr Abdur Rehman Tariq, Sub Engineer had now been shown against the deceased SDO. The Committee directed that this aspect of recovery from Mr Abdur Rehman Tariq, should be re-considered, and the actual amount recoverable from the deceased officer may be recovered or got written off by the competent authority. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated September 19, 2001.

The Department explained that as a result of inquiry the case for write off had been submitted to the Finance Department on October 18, 2001.

The para was kept pending with the direction that Audit may examine the inquiry report and submit its comments to the Committee.

6. Para V(4)/1987-88: Page 375; Serial 17, Shortage of material-Rs.207,300/-

20-9-2001: Item 1

The Department explained that accountal/consumption of material was shown to Audit who had demanded some further record. Moreover, the case was under investigation with the police as well as in Departmental inquiry.

The item was kept pending.

Item 2

The Department explained that Mr Muhammad Ishaq, Sub-Engineer responsible for the shortage had died in 1997.

The Committee directed that action should be taken against the supervisory officers who did not take proper action in the theft case when the incident took place. **The item was kept pending.**

Item 3

The Department explained that Police was contacted to collect the material but the same was found substandard, hence it has not been collected as yet.

The Committee directed that action should be taken against the supervisory officers who did not take proper action in the theft case, when the incident had occurred. **The item was kept pending.**

7. Para IV(II)8/1987-88: Page 376; Serial 26, Theft of Trees-Rs.119,000/-

20-9-2001: The Department explained that de-novo inquiry had been ordered in this case.

The Committee directed that the inquiry may be expedited and the value of stolen trees may be reassessed by the Department in coordination with Audit. The para was kept pending.

The Committee suggested that the Irrigation & Power Department should prescribe a formula for assessment of the value of various kinds of stolen trees, in case of theft.

24-10-2001: The para was considered with reference to the minutes of the meeting dated September 19, 2001.

The Department explained that the value of trees assessed by DFO Sahiwal amounting to Rs.25,541/- had been recovered and verified by audit.

The **para was kept pending** with the observation that the rates of trees may be updated by the Forest Department in coordination with Audit. The observation of the Committee may be conveyed to the Finance Department.

8. Para III(10)/1987-88: Page 377; Serial 31, Loss to Government Rs.180,600/-

19-9-2001: The Department explained that the loss of trees relating to the Irrigation & Power Department had been recovered.

The remaining trees had been transferred to the Forest Department.

The Committee directed that the part of the para relating to the Forest Department should be transferred to that Department and Irrigation & Power Department should inform the Forest Department accordingly by providing them full facts of the case.

The Committee further directed that the representative of Irrigation & Power Department should also attend the Public Accounts Committee meeting in which the para transferred to Forest Department would be considered. **The para was kept pending.**

9. Para II(I)/1987-88: Page 379; Serial 52, Non-Recovery of Rs.723,600/-

8-10-2001: After verification of record, Audit had reduced the amount of para to Rs.535,820/-.

The Department explained that efforts were being made to recover the balance amount from Municipal

Committee Chakwal and others.

The Committee directed that Finance Department may review the procedure for payment of water charges in such cases and examine and decide whether deduction "at source" of the amount from the allocations of Municipal Committee was possible. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated October 8, 2001.

The Department explained that after verification of record, Audit had reduced the amount of the para to Rs.535,820/- and that Rs.398,544/- of this amount related to raw water charges recoverable from Municipal Committee Chakwal. It was further stated that decision on the summary submitted to the Governor in the light of the directive of the Committee dated 8.10.2001 is awaited.

The Committee suggested that the procedure for realization of water charges should be reviewed so that large amounts of government dues are not left outstanding. Action should also be taken against those responsible for placing amounts due under Misc. PW Advances. **The para was kept pending.**

10. Para III-5/1987-88: Page 379; Serial 54, Loss to Government-Rs.1,336,085/-

25-6-2001: The para was considered in the light of direction of PAC dated December 20, 1995.

The Committee observed that in the working paper for the previous meeting held on 20.12.1995, the Departmental explanation and Audit comments thereon had side-tracked the actual Audit objection in the original para. The Committee decided to examine the basic issue, and directed the Department to hold an inquiry into the matter and to bring all the facts before the Committee with Audit comments. The para was kept pending.

19-9-2001: The para was considered on 19 and 20 September, 2001.

After hearing Audit and Irrigation & Power Department, the Committee directed that the Department should provide the following documents to Audit for verification:-

- (i) sanction of Finance Department and that of Planning & Development Department for engaging private consultants for ADP/M&R Works;
- (ii) orders of adjustments received from other zones; and
- (iii) the head of account from which the other zones had made these adjustments.

The details should be given in the revised working papers for the next meeting, along with Audit comments and the above-mentioned documents should also be annexed to the working paper. The para was kept pending.

24-10-2001: The para was considered with reference to the minutes of the meeting dated September 20, 2001.

The Department explained that an amount of Rs. 11 lac had been recovered and verified by Audit. The balance amount of Rs.2 lac has also been recovered and was under verification of Audit.

The **para was kept pending** with the direction that Audit may examine the following points and report to the Committee:-

- (i) sanction of Finance Department and that of Planning & Development Department for engaging private consultants for ADP/M&R works;
- (ii) orders of the adjustments received from other zones;
- (iii) the head of the account from which the other zones had made these adjustments.

11. Para V(10)/1987-88: Page 380; Serial 59, Mis-appropriation of Store-Rs.805,166/-

8-10-2001: The Department explained that the missing record had been traced out. The misappropriation pointed by Audit had been established, and some further irregularities had also come to light. The Department was considering to apportion the liability among the concerned officers.

The Department further stated that the XEN had already been dismissed, the SDO had been removed from service and the Sub-Engineer was already being proceeded against.

The Committee directed that action under the relevant law/rules should be taken:-

- (a) against those responsible for misappropriation; and
- (b) against those responsible for not taking prompt action on the disappearance of record. The para was kept pending.

23-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated August 8, 2001.

The Department explained that inquiry had been initiated against the officers/ officials at fault. **The para was kept pending** with the direction that the Department may take action expeditiously in the light of the directions of PAC dated October 8, 2001, and complete the inquiry by December.

(Revenue Receipts Audit)

1. Para 8.1: Page 71; Non-recovery of water charges PDP 4077 & 4078 DCO Hafizabad Canal Division, Faisalabad-Rs.1,209,427/-

14-3-2001: The Department explained that recovery of Rs.188,995/- had since been made from the Mills etc; and, efforts were being made to recover the balance from WASA and FDA.

The Committee directed the Department to make recovery of the balance amount. The para was kept pending.

18-9-2001: Recovery of Rs.314,254/- had been verified by Audit. The Department was directed to recover the balance amount expeditiously. It should be examined whether advance payment should have been obtained in these cases. The Department was further directed to take action against officers responsible for not making the recoveries at the proper time, and for delaying action even after the non-recovery had been pointed out by Audit. The para was kept pending.

23-10-2001: Audit informed the Committee that Working Paper in respect of above mentioned para pertaining to Revenue Receipts was received late in the Audit office, and Audit comments could not be compiled. **The Committee directed the Department to submit a revised working paper in the next meeting.**

2. Para 8.2: Page 72; Non-realization of auction amount of canal land PDP 4372

14-3-2001: The Department explained that the amount of Rs.141,422/- had been recovered. It was further explained that the lessee had obtained a stay order from the Court and as such an amount of Rs.344,378/- was yet to be recovered from the lessee.

The Committee directed the Department to pursue the case in the court vigorously and get the stay order vacated under the law/rules governing the Government dues. The para was kept pending.

18-9-2001: The recovery of Rs.359,122/- had been verified by Audit. The Department explained that the full facts of the case would be explained in the Working Paper for the next meeting. The item was kept pending.

23-10-2001: Audit informed the Committee that Working Paper in respect of above mentioned para pertaining to Revenue Receipts were received late in the Audit office, and Audit comments could not be compiled. **The Committee directed the Department to submit a revised working paper in the next meeting.**

3. Para 8.3: Page 73; Loss of govt revenue due to non pursuance of cases of illegal cutting of canal trees PDP 4373

14-3-2001: The Audit reported that about 200 cases of illegal cutting of canal trees had been pending finalization in the divisional offices for the last more than 13 years. It had resulted into loss of Government revenue amounting to Rs.517,166/-. The Department replied that efforts were being made to finalize the theft cases as early as possible.

The Committee took serious notice of delay in the disposal of theft cases and directed the Department to take immediate action to finalize all such cases along with disciplinary action against the persons responsible for the delay/lapse. The para was kept pending.

18-9-2001: The Department explained that disciplinary action against the officers responsible for delay under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was under process. The Department further explained that the remaining theft cases would be got decided expeditiously and the amount of fine would be recovered. The item was kept pending.

23-10-2001: Audit informed the Committee that Working Paper in respect of above mentioned 3 paras pertaining to Revenue Receipts were received late in the Audit office, and Audit comments could not be compiled. **The Committee directed the Department to submit a revised working paper in the next meeting.**

4. Para 8.6: Pages 74 & 75; Blockage of Govt. revenue due to non-finalization of cases of special charges PDP 4484 DCO Western Bar-RS.6,189,280/-

14-3-2001: The Department replied that out of 210 pending cases, 100 cases had been decided and the remaining cases would be decided soon.

The Committee directed that the Department should decide all the pending cases and get the record verified by Audit. The para was kept pending.

18-9-2001: The Committee re-iterated its earlier directive dated 13/14 March, 2001 that the decision on the pending cases should be expedited and Government dues involved should be recovered without further delay. **The item was kept pending.**

5. Para 8.6: Page 75; Blockage of Government Revenue due to non finalization of cases of special charges P. DP 4480 DCO Islam Head Works-Rs.2,029,300/-

14-3-2001: The Department explained that the amount of Rs.2,029,300/- involved in this para had been liquidated. The Committee settled the para subject to verification of record by Audit.

18-9-2001: The Committee directed that the recovery be pursued by Administrative Department and monitored by Finance Department, who should report progress to the Committee. The item was settled.

LABOUR AND MANPOWER DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
1	–	1	–	–

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 1	Paras finally settled as the requisite action had been taken.	Civil:		
		Commercial: 3(xxiv)	1	503
		Revenue Receipts:		
Paras Conditionally Settled	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil:		
		Commercial:		
		Revenue Receipts:		
Paras Pended	Paras pended as the Department had not taken satisfactory action.	Civil:		
		Commercial:		
		Revenue Receipts:		
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial:		
		Revenue Receipts:		

Discussed on 1 March, 14 April and 23 July 2001

Paras Finally Settled

(Commercial Audit)

1-3-2001: The Acting Secretary Labour and Manpower Department appeared before the Committee and stated that his Department had not submitted the working papers for the meeting due to some confusion about the date of meeting.

The Committee directed the Department to get their Appropriation Accounts and replies to the Audit Paras contained in the Audit Report for the year 1996-97, as well as, for the year 1997-98, reconciled with A. G. Punjab and verified by Director General Audit and submit complete working papers to the Assembly Secretariat for consideration in the next meeting.

1. Para No.3(xxiv-pesti): Page 7; Punjab Employees Social Security Institution

14-4-2001: The Director General Commercial Audit stated that the Punjab Employees Social Security Institution was for the first time covered in the Audit Report for the year 1996-97. The audit of Punjab Employees Social Security Institution had been entrusted by the Government of the Punjab to the Auditor General of Pakistan since 1994-95, but the Institution had submitted no accounts to the Commercial Audit since then.

The Department explained that the Commercial Audit Team conducted the audit of Punjab Employees Social Security Institution from October 2000 to February 2001, the Audit Report had been received and Punjab Employees Social Security Institution was preparing replies to the audit observations. **The para was settled.**

LAHORE HIGH COURT

Overview

Total Paras	Civil	Commercial	Works	Receipts
1	1	-	-	-

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 1	Paras finally settled as the requisite action had been taken.	Civil: 14.1	1	509
		Commercial:		
		Works:		
Paras Conditionally Settled	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil:		
		Commercial:		
		Works:		
Paras Pended	Paras pended as the Department had not taken satisfactory action.	Civil:		
		Commercial:		
		Works:		
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial:		
		Works:		

Discussed on 15 March, 15 June and 15 August 2001

Paras Finally Settled

(Civil Audit)

1. Para 14.1: Page 259; Recovery of Telephone Charges to the Extent of Rs.77,291/-

15-3-2001: The Department explained that the actual amount of recovery was Rs.51,157/- instead of Rs.77,291/- as pointed out by the Audit. A sum of Rs. 7,553/- had been recovered. An amount of Rs.8,549/- had been waived by the competent authority. Efforts were being made to recover the balance amount of Rs.35,055/-.

The Committee directed the Department to recover the balance amount of Rs. 35,055/- and get it verified by Audit within two months. The para was kept pending.

15-6-2001: Audit reported that after recovery/exemption, the present outstanding balance was Rs.14,043/-.

The Additional Registrar explained that the said amount was recoverable from two Additional Registrars. The recovery orders had been issued and the recovery would be effected soon. The para was settled subject to recovery of the balance amount.

15-8-2001: In the previous meeting held on 15-6-2001, the Committee had settled the para subject to recovery of balance amount.

The Department explained that the balance amount of Rs.8,369/- had been recovered and verified by Audit. **The para was settled.**

LAW AND PARLIAMENTARY AFFAIRS DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
3	3	–	–	–

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 1	Paras finally settled as the requisite action had been taken.	Civil: 19.2	1	515
		Commercial:		
		Works:		
Paras Conditionally Settled	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil:		
		Commercial:		
		Works:		
Paras Pended 2	Paras pended as the Department had not taken satisfactory action.	Civil: 19.1 and 19.3	2	516-517
		Commercial:		
		Works:		
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial:		

Works:

Discussed on 17 February, 15 June, 15 August and 22 October 2001

Paras Finally Settled

(Civil Audit)

1. Para 19.2: Page 288; Recovery of Withholding Tax amounting to Rs.50,000/-

17-2-2001: Audit reported that Income Tax amounting to Rs.50,000/- had not been deducted from the payment made to the Lawyers.

The Committee directed that the amount of Income Tax should be recovered, and the D.D.Os who did not deduct the Income Tax at source while making payment should be proceeded against and the action taken should be got verified by Audit within 3 months. The para was kept pending.

15-6-2001: The Department explained that a letter had been sent to the Income Tax Department to verify if the Law Officers who received payment from the Law Department had paid the Income Tax and if they had not paid, action should be taken against them under the relevant law. **The para was settled.**

Paras Pended

(Civil Audit)

1. Para 19.1 Page 287; Non-recovery of Excess Residential Telephone Calls Amounting to Rs.63,445/-

17-2-2001: Audit reported that the payment of residential telephone bills in respect of certain officers had been made in excess of entitlement, to the extent of Rs.63,445/-.

The Department explained that the calls were made in connection with official business.

The Committee directed that the Department should either recover the amount or get the payment regularized from the Finance Department, and the action taken should be got verified by the Audit within 3 months. The para was kept pending.

15-6-2001: The Department submitted that since the officers from whom the recovery was due, were now working under the Lahore High Court, the Registrar, Lahore High Court had been requested to make the recovery. According to the Departmental information, he had issued notices to the concerned officers. The para was kept pending.

15-8-2001: The para was considered with reference to the minutes of the meeting dated June 15, 2001.

The Department explained that an amount of Rs.20,351/- had been recovered and verified by Audit. The recovery of the balance amount of Rs.28,257/- from Raja Muhammad Khurshid (Retd.) and Rs.14,837/- from Mr Shaukat Ali Zaidi was being pursued. The para was kept pending.

22-10-2001: With reference to the PAC directive dated August 15, 2001, the Department informed the Committee that although the Lahore High Court had been requested to effect the recovery of Rs.28,257/- and Rs.14,837/- respectively from Raja Muhammad Khurshid and Syed Shaukat Ali Zaidi, no tangible progress had been made. The Committee asked the Department to effect recovery at the earliest. For the purpose, it may also request the Registrar Lahore High Court Lahore to place the case before the Hon'ble Chief Justice for appropriate orders in the matter. A copy of the communication be endorsed to Secretary PAC. The para was kept pending.

3-12-2001: The para was considered in the light of PAC directive dated 22.10.2001.

The Department explained that matter had been taken up with the Registrar, Lahore High Court, for recovery of the amounts from the judicial officers previously posted in the Law Department. However, the recovery was still outstanding. The Department was directed to realize the recovery expeditiously. **The para was kept pending.**

2. Para 19.3 Page 288; Recovery of Rs.45,660/- Due to Excess Consumption of POL

17-2-2001: Audit reported excess consumption of petrol by the officers beyond the ceiling allowed to them, amounting to Rs.45,660/-.

The Department replied that the officers of the Law Department were required to attend the meetings and had to perform multifarious duties. Therefore, the limit of consumption of petrol did not apply to them.

The Committee directed that the amount should be recovered or the expenditure got regularized by the Finance Department. The para was kept pending.

15-6-2001: The Department explained that the officers who had used excess petrol had been transferred from the Law Department. The Registrar Lahore High Court had been requested for the recovery of Rs.45,660/- from them. One of the said officers had retired as Judge of the Lahore High Court. The Committee was told that some amount was also recoverable from Despatch Rider on account of drawal of petrol for official motorcycle exceeding the prescribed ceiling. The Committee directed the Department to effect the recoveries from the officers. The Committee also directed the Audit to review the case of the Despatch Rider whether any petrol ceiling was applicable to him in case he had used the motorcycle for official duty. The para was kept pending.

15-8-2001: The para was considered with reference to the minutes of the meeting dated 15-6-2001. The Department explained that an amount of Rs.8,233/- was not recoverable from the Despatch Rider, whereas the recovery of Rs.37,437/- from Raja Muhammad Khurshid since retired, was being pursued. The para was kept pending.

22-10-2001: The para was considered with reference to PAC directive dated August 15, 2001. The Department explained that efforts had been made to recover Rs.37,437/- from Raja Muhammad Khurshid, but no progress could be reported. The Committee directed the Department to effect recovery at the earliest. For the purpose, it may also request the Registrar Lahore High Court Lahore to place the case before the Hon'ble Chief Justice for appropriate orders. A copy of the communication be endorsed to Secretary PAC. **The para was kept pending.**

Special Direction of the Committee: The Committee also directed that the Department should examine identical cases relating to other periods also, and effect recovery, if any.

3-12-2001: The para was considered in the light of PAC directive dated 22.10.2001.

The Department explained that matter had been taken up with the Registrar, Lahore High Court, for recovery of the amounts from the judicial officers previously posted in the Law Department. However, the recovery was still outstanding. The Department was directed to realize the recovery expeditiously. **The para was kept pending.**

LIVESTOCK AND DAIRY DEVELOPMENT DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
7	4	3	-	-

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled. 3	Paras finally settled as the requisite action had been taken.	Civil: 20.2 and 20.4	2	523
		Commercial: 67	1	523-524
		Works:		
Paras Conditionally Settled 1	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Committee every six months.	Civil: 20.3	1	525
		Commercial:		
		Works:		
Paras Pended 3	Paras pended as the department had not taken satisfactory action.	Civil: 20.1	1	526
		Commercial: 68 and 69	2	526-528
		Works:		
	Paras pended as the Department did not submit the working papers.	Civil:		
	Commercial:			
	Works:			

Discussed on 2 March, 12 July, 28 August and 22 October 2001

Paras Finally Settled

(Civil Audit)

1. Para 20.2: Page 291; Loss of Rs.75,000/- due to Death of Animals

2-3-2001: The Department explained that according to mortality statement maintained by Farm Manager the total book value of three animals came to Rs.20,718/- and out of this Rs.1,300/- were deposited into Government Treasury being cost of skins. The remaining loss worked out to Rs.19,418/-. The Director Live Stock (Farms) Punjab, Lahore, being the competent authority under the rules, had written off the loss. Audit commented that the relevant record was not shown in March 1997 at the time of audit, therefore, it appeared that entries in the record had been made afterwards.

The Committee directed the Department to hold an inquiry into the matter to determine whether the said animals had actually died or the record had been fictitiously constructed to that effect and to take action, accordingly, against the persons found responsible for any irregularity. The para was kept pending.

12-7-2001: The Department explained that as per direction of the PAC dated 2.3.2001, an inquiry had been conducted and it had been established that animals died due to negligence on the part of the then Manager and Veterinary Assistant. The Inquiry Committee had recommended recovery of loss from the defaulters. Efforts were being made to recover an amount of Rs.20,718/- as the loss assessed on the book value of the animals.

The Department was directed to get the value of loss verified by Audit and make recovery accordingly. The para was kept pending.

28-8-2001: The Department explained that the recovery of Rs.20,718/- as recommended by the Inquiry Committee, had been made and deposited into Government Treasury. **The para was settled.**

2. Para 20.4: Page 293; Loss of Rs.109,000/- Due to Misappropriation of Trees

2-3-2001: The Committee directed the Department that an inquiry should be held into the matter relating to both parts of the para and action taken accordingly, within 3 months. The para was kept pending.

The working papers in respect of the Punjab Dairy Development Corporation remained unconsidered on conclusion of the meeting and their consideration was deferred to the next meeting.

12-7-2001: The Department explained that as per direction of the PAC dated 2.3.2001, a detailed inquiry was conducted and it was found that no irregularity was committed by the staff. There was no loss or misappropriation in this case. **The para was settled.**

(Commercial Audit)

1. Para 67: Page 51; Punjab Dairy Corporation Limited, Lahore

12-7-2001: Audit reported that the Corporation had been sustaining losses since inception and therefore its operational activities were closed in 1990.

The Department explained that to save the Lahore Milk Plant, Lahore from further loss a joint venture agreement between Punjab Dairy Corporation and Idara-e-Kissan was signed on 30.11.1996 for a period of 20 years. The Milk Plant had since become a profit-earning unit and most of its liabilities had been cleared.

The Committee observed that as per provision of the Agreement, the Government should re-evaluate the working of joint venture after every 3 years. **The para was settled.**

Paras Conditionally Settled

(Civil Audit)

1. Para 20.3: Page 292; Loss of Rs.5,203,584/- due to Non-accountal of Medicines and Equipment (LP Medicines) etc.

2-3-2001: The Department replied that the case is pending in the Court of Special Judge Anticorruption, Rawalpindi since 1998. However, the defaulting officer had been removed from service w.e.f 4.2.1998, on the charge of absence from duty, as he had absconded from duty. The Committee directed the Department to hold an inquiry in the matter, *inter alia*, to determine under what circumstances the accused officer was not awarded the penalty of recovery of the loss caused to the Government while imposing the penalty of removal from service. The Department was further directed to pursue the case with the Anticorruption Establishment. The para was kept pending.

12-7-2001: The Department explained that as per direction of the Committee dated 2-3-2001, the record of disciplinary proceedings against the accused had been re-viewed and it had been observed that it was an error of judgment on the part of the Authority to remove the accused from service and not to impose on him the penalty of recovery of the loss caused to the Government, as the matter was pending with Anti-corruption Establishment.

The Department further explained that the Special Judge Anti-corruption, Rawalpindi had exonerated the accused on 31-3-2001 and the Advocate General, Punjab had been requested to file an appeal. The para was kept pending.

28-8-2001: The Department explained that the office of Advocate General Punjab had assured it that the appeal against the decision of the Special Judge, Anti-Corruption, exonerating the accused officer, would be filed in the competent Court within the time limit.

The Committee directed the Department to pursue the appeal vigorously in the Court of Law. The para was kept pending.

22-10-2001: With reference to the minutes of the meeting of PAC dated 28 August 2001, the Department explained that an appeal had been preferred by the Department against the decision of the Special Judge Anti-corruption in Lahore High Court, Rawalpindi Bench, and further action would be taken in the light of the decision of the Appellate Court. In the circumstances, **the para was settled**; however, the Committee directed the administrative Department seriously to pursue the case, and Finance Department to monitor the same.

Paras Pended

(Civil Audit)

1. Para 20.1: Page 291; Irregular Expenditure of Rs.8,628,750/-

2-3-2001: Audit had reported that cattle crushes had been purchased in excess quantity than provided in PC I and at much higher rates than those prevalent in the market, which resulted into a loss of Rs.8,628,750/-.The Department explained that all those held responsible were proceeded against under E&D Rules. However, on a writ petition filed by the accused persons, the Lahore High Court had stayed the proceedings. The stay order was vacated in June 2000. The disciplinary proceedings would be finalized soon. Moreover, cases had also been registered with the Anti corruption Establishment against the accused persons. The Department was directed to pursue the Anti-Corruption case and finalize the disciplinary proceedings expeditiously. The para was kept pending.

12-7-2001: The Department explained that as per direction of the PAC dated 2-3-2001, disciplinary proceedings had been initiated against all persons involved in the irregularities pointed out in this Para. The inquiry had been completed and submitted to the Authority. The apportionment of liability would also be submitted to the Authority within 7 days, as desired by him.

The Department further explained that the matter had also been reported to Anti-corruption Establishment, who had conducted the inquiry and referred the case to the National Accountability Bureau. The para was kept pending.

28-8-2001: The Department explained that as per directive of the Committee the case had been submitted to the Authority/Chief Secretary, whose decision was awaited.

Moreover, the criminal case had also been referred by the Anti-Corruption Establishment to the Regional Accountability Bureau. The para was kept pending.

22-10-2001: The para was considered with reference to the PAC directive dated 28 August 2001. The Department explained that the financial liability of each officer/official had been apportioned, and the case was with the Chief Secretary (Authority) for appropriate orders. The ACE had also referred the case to RAB. The Department was directed to pursue the case and apprise the Committee of the progress. **The para was kept pending.**

(Commercial Audit)

1. Para 68: Page 51; Punjab Dairy Corporation Limited, Lahore-Trade Debtors.

12-7-2001: Audit reported that an amount of Rs.4.668 million was recoverable under the head "Trade debtors" upto 1997 and no efforts had been made since then to recover the outstanding dues from the parties.

The Department explained that an Inquiry Committee had been constituted to probe into the matter.

The Committee directed that the inquiry should be completed within one month. The para was kept pending.

28-8-2001: The Department explained that an Inquiry Committee was constituted to enquire into Paras 68 and 69 relating to recovery of amounts due from various parties, to the defunct Lahore Milk Plant. The Inquiry Committee had observed that the Department had failed to make any further recovery due to lack of proper record showing detail/break up of the arrears, for which the following three persons of the Accounts Section were held responsible as they were not producing the relevant record concerning recovery of Rs.46.68 lac:-

1. Mr. Samuel Anayat, Ex-Accounts Officer, PDC, presently working as Section Officer in S&GAD.

2. Mr. Zafar Iqbal Chishti, Ex- Accounts Assistant, PDC, presently working in Jinnah Hospital, Lahore.

3. Mr. Muhammad Mansha, Ex-Accounts Clerk, PDC, presently working in Jinnah Hospital, Lahore.

The Department stated that the Chief Secretary would be approached for requiring the above-mentioned officials to produce the relevant record.

The Department stated that the Department was also considering to refer this case to the Regional Accountability Bureau (RAB). The para was kept pending for necessary action/recovery.

22-10-2001: With reference to the directive of PAC dated 28 August 2001, the Department informed the Committee that the relevant persons had reported to the Department, and the record was being examined. The Committee was dissatisfied as the action had been delayed and directed that the liability in each case be determined and the amounts recovered at the earliest. Compliance be reported within three months. **The para was kept pending.**

2. Para 69: Page 51; Punjab Dairy Corporation Limited, Lahore Doubtful Debts.

12-7-2001: According to Audit it appeared that “relevant record of the debtors had been intentionally destroyed to camouflage the misappropriation and shortages.”

The Department explained that an inquiry Committee mentioned in reply to Para 68 would also probe this matter. The para was kept pending.

28-8-2001: The Department explained that an Inquiry Committee was constituted to enquire into Paras 68 and 69 relating to recovery of amounts due from various parties, to the defunct Lahore Milk Plant. The Inquiry Committee had observed that the Department had failed to make any further recovery due to lack of proper record showing detail/break up of the arrears, for which the following three persons of the Accounts Section were held responsible as they were not producing the relevant record concerning recovery of Rs.46.68 lac:-

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The Department stated that the Chief Secretary would be approached for requiring the above-mentioned officials to produce the relevant record.

The Department stated that the Department was also considering to refer this case to the Regional Accountability Bureau (RAB). The para was kept pending for necessary action/recovery.

22-10-2001: With reference to the directive of PAC dated 28 August 2001, the Department informed the Committee that the relevant persons had reported to the Department, and the record was being examined. The Committee was dissatisfied as the action had been delayed and directed that the liability in each case be determined and the amounts recovered at the earliest. Compliance

be reported within three months. **The para was kept pending.**

LOCAL GOVERNMENT AND RURAL DEVELOPMENT DEPARTMENT

Overview

Total Paras	Civil	Works	Commercial	Receipts
116	1	106	---	9

Abstract

Status	Decision	Para Nos.	Total	Details (Page)
Paras Finally Settled 33	Paras finally settled as the requisite action had been taken.	Civil: 18.1	1	533-534
		Works: I-A-1, I-B-3, I-B-6, I-C-2, I-C-3, I-C-4, I-D-3, I-D-4, I-E-2, I-F-1, II-A-1, II-A-3, II-B-1, III-A-4, III-B-2, III-B-3, III-B-4, III-C-1, III-C-2, III-C-3, III-D-2, IV-A-1, IV-A-2, IV-A-6, IV-C-2, IV-C-3, IV-C-4, IV-G-1, V-8, V-9, V-10 & V-11	32	534-540
Paras Conditionally Settled 24	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil:		
		Works: I-A-2, I-A-3, I-A-4, I-A-7, I-A-8, I-A-10, I-B-4, I-B-5, I-C-1, I-D-1, II-A-2, III-A-1, III-A-2, III-B-1, III-E-2, III-I-1, III-J-1, IV-A-3, IV-D-2, IV-D-3, IV-D-4, IV-E-2 & VI-B-2 Dera Ghazi Khan Development Authority: I-1 (161)	23	541-558
Paras Pended 59	Paras pended as the Department had not taken satisfactory action.	Civil:		
		Works: I-A-5, I-A-6, I-A-9, I-A-11, I-A-12, I-B-1, I-B-2, I-C-5, I-D-2, I-E-1, I-E-3, I-F-2, I-G-1, I-G-2, III-A-3, III-D-1, III-E-1, III-F-1, III-G-1, III-H-1, IV-A-4, IV-A-5, IV-B-1, IV-B-2, IV-B-3, IV-B-4, IV-C-1, IV-D-1, IV-E-1, IV-E-3, IV-F-1, IV-F-2, IV-F-3, IV-H-1, IV-I-1, V-1, V-2, V-3, V-4, V-5, V-6, V-7, VI-A-1, VI-A-2, VI-A-3, VI-A-4, VI-A-5, VI-B-1, VI-C-1 Dera Ghazi Khan Development Authority: II-1 (162)	49	560-588
		Revenue Receipts: 4.1(a): 4275, 4276, 4227, 4241, 4286, 4.1(h): 4631, 4634, 4.2(a): 4630, 4633	1	588-589
			9	589-592

Paras pending as the Department did not submit the working paper.	Civil:		
	Works:		
	Revenue Receipts:		

Discussed on 27 & 28 February, 1 March, 21 & 24 May, 3, 29 & 30 October, 2001, 7 & 26 January 2002

Paras Finally Settled (Civil Audit)

1. Para 18.1: Page 283; Loss of Rs.80,686/- on Account of Irregular Drawal of House Rent Allowance & Non-Deduction of House Rent

27-2-2001: The Department explained that the residence of the Project Manager, Chunian had been declared unfit for human occupation on December 29, 1990 which was notified as such by the D.G., LG&RD on April 10, 1993. The recovery of the House Rent Allowance drawn by the Project Managers, from time to time, after December 1990 was, therefore not warranted.

The Committee directed that the Department should produce all the relevant record to Audit for ascertainment of the facts and action should be taken accordingly. The para was kept pending.

21-5-2001: This para was considered with reference to the minutes of the Committee's meeting held on February 27, 2001.

The Department submitted that it had been concluded in the Inquiry Report that no Project Manager had resided in the official residence since 1990-91, due to "worst condition" of the building. It had been further revealed in the Inquiry Report that presently the premises were under the occupation of the Government High School for Boys, Chunnian.

However, Audit commented that during spot visit by Audit on March 2, 2001, the locals disclosed that certain portion of the said official building was under illegal occupation of a private person.

Audit further pointed out that the certificate of SDO Buildings dated December 1, 1988, declaring the building unfit for human occupation seemed to be a fabricated document, as it had been received by the Local Government & Rural Development Department in response to their letter dated February 29, 1990, and moreover, the same certificate was unsigned when produced in the last meeting. Audit also questioned the authenticity of the said certificate on the ground that the said building had been constructed in 1980.

The Committee observed that prima facie, a forged document had been produced before the Committee. The Administrative Department stated that the present inquiry was not now acceptable to the Department and it would hold a fresh inquiry and report to the Committee within 2 months. The para was accordingly kept pending.

3-10-2001: The Committee was not satisfied with the explanation of the Department and directed that the Department should proceed for recovery from the concerned officers as per original Audit observation and if they contest and prove that the building was inhabitable, then the persons responsible for faulty construction of the building should be proceeded against

under the Punjab Removal from Service (Special Powers) Ordinance, 2000. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that as a result of fact finding inquiry, charge sheets have been issued to the following officers at fault:-

1. Rana Abdul Ghafoor, Ex-AE, RD Kasur, now retired.
2. Mr Riaz Hussain Chaddar, Ex-AE, RD Kasur.
3. Mr Khadim Hussain, Ex-Sub Engineer, RD, Markaz Chunian

It was further explained that out of total recoverable amount of Rs.80,686/- an amount of Rs.2,335/- had been recovered from the ex Project Manager, Chunian, and that DAO Layyah had been requested to effect recovery of Rs.36,451/- from Mr Muhammad Siddique Sindhu, AD LG&RD; however, a case for writing off the loss of Rs.41,881/- due from Mr Ijaz Ahmad Khan (deceased) was under process; and, a Show Cause Notice has also been issued to Sh Muhammad Anwar, Ex Project Manager RD Markaz Chunian under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed the Department to pursue the recovery/write off case, and also complete the disciplinary action against the defaulting officers expeditiously. The para was kept pending.

7-1-2002: The para was considered in the light of minutes of the meeting held on October 29, 2001. The Department explained that action on the said directive was underway.

The Committee directed that Administrative Department should complete the inquiry/ action under the Punjab Removal from Service (Special Powers) Ordinance 2000 expeditiously and Finance Department should monitor the same. With the above observations, the para was settled.

26-1-2002: The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 had been finalized on January 24, 2002. The Authority had exonerated the accused officer because he had not drawn the house rent allowance during his tenure as Project Manager, Chunian. **The para was settled.**

(Works Audit)

1. Para I-A-1: Page 288; Payments at Higher Rates-Rs.2,330,488/-

28-2-2001: Audit had reported that payment of non schedule rate of Rs.54/- to Rs.59.75/- per sq.ft for tile flooring instead of the admissible rate of Rs.5.70/- per sq.ft provided in the Composite Schedule of Rate 1979 had resulted in an excess payment of Rs.2,330,488/-.

The Department explained that the item did not relate to flat-tile flooring, as presumed by Audit but it related to edge flooring as per technically sanctioned estimates.

The item of tile on edge flooring was not covered by CSR 1979 and non-schedule rate was approved by the Superintending Engineer who was competent to do so.

The Department was directed to show the record to Audit to prove its contention. The para was kept pending for verification of record by audit.

21-5-2001: This para was considered with reference to the minutes of the Committee's meeting held on February 28, 2001. After detailed discussion, it was observed that payment had not been made in accordance with the entries made in the measurement books.

The Department was directed to proceed for recovery and disciplinary action, as warranted by law. The para was kept pending.

3-10-2001: The Department explained that as per directive of the Committee, an inquiry was held in which it had been established that edge flooring had been provided at site and payment had been made accordingly and no excess payment was involved. The Department was directed to produce the inquiry report to Audit for further comments, and explain the factual position in the next meeting. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that as per fact finding report of inquiry officer, tile on edge flooring was provided at site. It was also explained that concerned officers/officials had been charge sheeted under the Punjab Removal from Service (Special Powers) Ordinance 2000-2001 on the basis of fact finding inquiry report of the same inquiry officer in case of Audit Para No.I-A-2.

The **para was settled** with the direction that action against the defaulting officers may be completed expeditiously.

2. Para I-B-3: Page 295; Excessive Measurements-Rs.192,712/-

28-2-2001: As recommended by Audit, the Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: After verification of record Audit pointed out that the Test Report of Building Research Laboratory, Lahore, had not been obtained before preparation of the detailed estimate and technical sanction thereof was subsequently accorded on August 25, 1992 while the work was awarded earlier on December 15, 1991. The Soil Test Report dated January 16, 1992 of a private Laboratory had been produced without showing any letter for referring the matter to the said Laboratory.

The Committee directed that the Department should proceed for recovery and disciplinary action against the officer responsible for excess payment. The para was kept pending.

3-10-2001: The Department explained that as a result of Departmental inquiry, it had been held that it was not a case of excess payment because RCC strip foundation was provided for the safety of the building after report of the Soil Testing Laboratory.

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

3. Para I-B-6: Page 296; Excessive Measurements-Rs.120,284/-

27-2-2001: Audit had verified the Departmental reply and had recommended the para for settlement. **The para was settled.**

4. Para I-C-2: Page 297; Payment at Higher Premium Rs.107,427/-

28-2-2001: As recommended by Audit, the Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: In the working papers of the previous meeting held on February 28, 2001, the Department had explained that excess payment of Rs.107,427/- had been made in the 4th running bill due to oversight, but the mistake was corrected in the 5th running bill. The Committee re-iterated its previous direction for production of the record required by Audit for verification without further loss of time. The para was kept pending.

3-10-2001: Audit stated in the meeting that the record had been verified. **The para was settled.**

5. Para I-C-3: Page 297; Payment at Higher Premium Rs.105,394/-

28-2-2001: As recommended by Audit, the Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: On the request of Department the para was kept pending for consideration on May 24, 2001.

24-5-2001: In the working paper for the previous meeting held on February 28, 2001, the Department had explained that the instant work comprised improvement of existing road, and therefore correct premium had been applied and paid. The Inquiry officer appointed by the Department in this case, confirmed before the Committee that as per his findings, the position explained in the Departmental reply was correct. The Departmental explanation was accepted and **the para was settled.**

6. Para I-C-4: Page 298; Payments at Higher Premium Rs.183,659/-

27-2-2001: The Department explained that according to the Government Policy, the whole amount of Rs.1,456,000/- spent on construction of Community Centre Faisal Kot had been recovered from the Sponsor concerned and deposited into Government treasury. Recovery had also been verified by Audit. **The para was settled** with the observation that the Administrative Department may consider taking appropriate action against the officer responsible for the irregularities pointed out in this para.

7. Para I-D-3: Page 300; Payment of Excessive Quantities Rs.217,381/-

28-2-2001: The Department explained that the works were left unfinished due to lapse of fund and was later on completed by District Councils. The Committee observed that it was a case of defective planning and defective estimates. However, no embezzlement had been pointed out by Audit. **The para was settled.**

8. Para I-D-4: Page 300; Excessive Payment of Rs.101,634/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

22-5-2001: Audit pointed out that as per direction of the PAC dated March 1, 2001 the Department had failed to produce complete record for verification. The Committee directed the Department to produce complete record to Audit, without further loss of time. The para was kept pending.

3-10-2001: Audit stated in the meeting that the Departmental contention had been verified from record. **The para was settled** as per Audit Report.

9. Para I-E-2: Page 301; Fictitious Record Measurements-Rs.142,504/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

22-5-2001: Audit had pointed out that payment had been made for excessive quantities of certain items than those provided in the Technically Sanctioned Estimate and that the record produced by the Department was not complete. The Committee directed the Department that record required by Audit should be produced to them for verification. The para was kept pending.

29-10-2001: The explanation of the Department was accepted and **the para was settled.**

10. Para I-F-1: Page 302; Non-deduction of Available Quantities-Rs.142,445/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

22-5-2001: The Department explained that a preliminary inquiry into the para had been ordered on May 14, 2001, for submission of inquiry report within a fortnight.

The Committee directed the Department to proceed for making recovery of the excess payment and taking disciplinary action against the officers responsible for excess payment. The para was kept pending.

29-10-2001: The Department was directed to produce a copy of the estimate to the Committee on October 30, 2001. The para was kept pending.

Note: (The para was settled on October 30, 2001)

11. Para II-A-1: Page 305; Non-Recovery of Cost of Material Rs.633,880/-

1-3-2001: The Committee directed the Department that the requisite record should be produced to Audit for verification. The para was kept pending.

23-5-2001: Audit had pointed out that the Department had, out of total dismantled material worth Rs.695,880/- recovered only Rs.60,000/- and stated that the remaining material was taken over by the Deputy Commissioner's office, Lahore.

The Committee directed that the Local Government and Rural Development Department and the Deputy Commissioner's office, Lahore should jointly get the record of disposal of dismantled material verified by Audit.

The Committee further directed that the Deputy Commissioner, Lahore should be asked to send a report to the *ad hoc* Public Accounts Committee about the consumption/ disposal of dismantled material involved in this para which had been taken over by his office. The para was kept pending.

29-10-2001: The Department explained that the Director General LG & RD Punjab had constituted an inquiry Committee to look into the matter and report.

The para was kept pending with the direction that the Department may complete action expeditiously, and the matter should be taken up with the District Coordinating Officer concerned by the Secretary of the Department.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that an Inquiry Committee was constituted to enquire into the matter. The Inquiry Committee had concluded that no evidence of misuse of old material was

established. No useful purpose would be served at this stage if disciplinary action was ordered because the concerned SDO of LG&RD stood dismissed from service, the concerned XEN had expired and the Superintending Engineer/ADLG had retired from service. The Staff of the Deputy Commissioner's office who had received dismantled material was not properly guided about maintenance of record. The Administrative Secretary stated that he had accepted the findings of the Inquiry Committee. The Committee observed that the concerned Officers had obviously not maintained the records properly and had not observed the prescribed rules, besides showing lack of adequate supervision. With the above observation, **the para was settled.**

12. Para II-A-3: Page 306; Non-Recovery of Cost Material Rs.62,870/-

27-2-2001: Audit had verified the Departmental reply and had recommended the para for settlement. **The para was settled.**

13. Para II-B-1: Page 306; Non-recovery of Professional Tax Rs.87,000/-

28-2-2001: The representative of the Finance Department pointed out that payment of Annual Professional Tax was the liability of the assessee and no liability had been placed on the D.D.O. to deduct the Professional Tax at source, under the relevant rules. **The para was dropped.**

14. Para III-A-4: Page 309; Irregular Acceptance/Award of Works Rs.4,572,000/-

27-2-2001: Audit had verified the Departmental reply and had recommended the para for settlement. **The para was settled.**

15. Para III-B-2: Page 310; Incomplete Works-Rs.2,621,708/-

28-2-2001: The Department replied that most of the incomplete works were lying unattended due to non-authorization of lapsed funds by the Government.

The Committee referred to its general observation in the minutes of its meeting held on 27 February about incomplete schemes and wasteful expenditure. **The para was settled.**

16. Para III-B-3: Page 311; Incomplete Works Rs.174,015/-

1-3-2001: The Department explained that the work was left incomplete after making running payment of Rs.174,015/- to the contractor, as the funds were lapsed on June 3, 1993 and the new Government did not provide fund in the subsequent years. The explanation of the Department was accepted and **the para was settled.**

17. Para III-B-4: Page 311; Incomplete Works Rs.58,585/-

27-2-2001: Audit had verified the Departmental reply and had recommended the para for settlement. **The para was settled.**

The Committee however, observed that the Government should issue specific instructions to deal with a situation where a project is not completed due to non-release of funds and the contractor is demanding the return of his security deposit.

18. Para III-C-1: Page 312; Wasteful Expenditure Rs.127,303/-

1-3-2001: The Department was directed that the requisite record should be produced to Audit for verification. The para was kept pending.

23-5-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001.

The Department stated that as per direction of the Committee dated March 1, 2001, the record was produced to Audit. However, Audit commented that the Department had failed to produce the relevant record to prove its contention. The Committee directed that Audit should write to Administrative Department specifying the documents to be produced and the Administrative Department should produce the same without delay. The Para was settled subject to verification by Audit.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 23, 2001.

The Committee observed that the para had already been settled subject to verification of record by Audit in its meeting held on May 23, 2001. This was reiterated and **the para was dropped.**

19. Para III-C-2: Page 312; Wasteful Expenditure Rs.1,040,802/-

27-2-2001: Audit had verified the Departmental reply and had recommended the para for settlement. **The para was settled.**

20. Para III-C-3: Page 313; Wasteful Expenditure Rs.689,375/-

27-2-2001: Audit had verified the Departmental reply and had recommended the para for settlement. **The para was settled.**

21. Para III-D-2: Page 314; Misuse of Government Buildings Rs.1,240,000/-

27-2-2001: Audit had verified the recovery and had recommended the para for settlement. **The para was settled.**

22. Para IV-A-I: Page 319; Fictitious Record Entries Rs.351,987/-

1-3-2001: The Committee directed the Department that the requisite record should be produced to Audit for verification. The para was kept pending.

24-5-2001: In the Working Paper for the previous meeting held on March 1, 2001, the Department had explained that the work was done opposite TEPA(LDA) Office, Lytton Road, Lahore. The wall had been constructed upto the height of 11 ½' i.e. above NSL level because a Dispensary was to be constructed on it and payment had been made according to the work done. **The para was settled.** However, the Committee expressed its displeasure over non-issuance of the Technical Sanction before execution of work.

23. Para IV-A-2: Page 319; Fictitious Record Entries Rs.315,618/-

1-3-2001: The Department was directed that the requisite record should be produced to Audit for verification. The para was kept pending.

24-5-2001: The Department explained that the work was executed at site on the direction of the sponsor. The Estimate was revised and got technically sanctioned by the Executive Engineer.

The para was discussed, and it was observed that work was actually done according to the revised estimates. **The para was settled.**

24. Para IV-A-6: Page 321; Fictitious Record entries un-authorized expenditure of Rs.193,436/-

27-2-2001: Audit had verified the Departmental reply and had recommended the para for settlement. **The para was settled.**

25. Para IV-C-2: Page 325; Wasteful Expenditure Rs.53,845/-

1-3-2001: The Department was directed to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: The Department stated an inquiry had been ordered into this para on May 14, 2001.

The Committee directed the Department to complete the inquiries by June 7, 2001 and take disciplinary action under the Law/Rules against the persons at fault. The Para mentioned at Sr. 21 & 22 above were kept pending.

30-10-2001: The para was considered with reference to the minutes of the meetings held on March 1, 2001 and May 24, 2001. After discussions of the Department's explanation and Audit comments thereon at some length, **the Committee decided to settle the para.**

26. Para IV-C-3: Page 326; Wasteful Expenditure Rs.1,028,968/-

27-2-2001: Audit had verified the Departmental reply and had recommended the para for settlement. **The para was accordingly settled.**

27. Para IV-C-4: Page 326; Wasteful Expenditure Un-authorized Payment of Rs.249,899/-

27-2-2001: Audit had verified the approval of revised estimates and had been recommended the para for settlement. **The para was accordingly settled.**

28. Para IV-G-I: Page 332; Double Release of Security Deposits Rs.2,695,759/-

1-3-2001: The Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001

Audit had verified the record. **The para was settled.**

29. Para V-8: Page 337; Misappropriation of Material Rs.245,735/-

27-2-2001: Audit had verified the Departmental reply and had recommended the para for settlement. **The para was settled.**

30. Para V-9: Page 338; Misappropriation of Material Rs.123,774/-

27-2-2001: Audit had verified the recovery and record and had recommended the para for settlement. **The para was accordingly settled.**

31. Para V-10: Page 338; Misappropriation of Material Rs.210,000/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001. The para was settled subject to verification of original record by Audit.

26-1-2002: The para was considered in the light of directive of the PAC dated October 30, 2001. The Department explained that the relevant record had been produced to Audit and got verified. **The para was settled.**

32. Para V-11: Page 339; Misappropriation of Material-Rs.285,223/-

27-2-2001: Audit had verified the record and had recommended the para for settlement.

The para was settled.

Special Direction

The Committee directed that in future an explanatory memo giving the background and aims and objects of the project should be attached with every estimate as per codal provisions.

Paras Conditionally Settled (Works Audit)

1. Para I-A-2: Page 288; Payments at Higher Rates-Rs.727,730/-

28-2-2001: Audit reported that a formation allowed higher non schedule rates ranging from Rs.54/- to Rs.75/- per sft for tile flooring in streets instead of admissible rates of Rs.45.92/- per sft already agreed and provided in contract which resulted in an excess payment of Rs.727,730/-.

During the course of discussion the Department conceded that the item rate provided in the contract was Rs.45/92.

The Committee directed that the Department should hold inquiry to ascertain the facts, fix responsibility for excess payment and take action to recover the amount of excess payment and action against the officers responsible for excess payment. The para was kept pending.

21-5-2001: This para was considered with reference to the minutes of the Committee's meeting held on February 28, 2001.

The Department stated that inquiry had been ordered on April 30, 2001 and the inquiry officer would apprise the Committee about the progress of inquiry on May 24, 2001. The para was kept pending till May 24, 2001.

24-5-2001: As directed by the Committee on May 21, 2001, the Inquiry Officer, appointed by the Department on April 30, 2001 to inquire into this case, made a brief presentation of his findings. The Committee directed that the Department should initiate disciplinary proceedings against the officers at fault (including the Executive Engineer and Superintending Engineer concerned) determined in the preliminary inquiry. The Committee further directed that Audit should be associated in framing the charge sheets in this case. The para was kept pending.

3-10-2001: The Department explained that on the basis of Departmental inquiry report, an inquiry against the defaulters had been ordered under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed that action should be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that in compliance with the PAC Directive dated October 3, 2001 the inquiry had been completed under the Punjab Removal from Service (Special Powers) Ordinance 2000 and report submitted to the Authority on October 22, 2001. The para

was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 23, 2002. Minor penalty of stoppage of two increments had been imposed on the ex-Superintending Engineer and the case of the XEN concerned had been sent to the Authority. Proceedings against the Assistant Director (Deceased) and two Assistant Engineers (both retired) had been dropped. The concerned Sub Engineer had been exonerated. The case against the concerned Resident Assistant Director (Audit) Local Fund Audit was being sent to the Secretary, Finance Department being the competent authority.

The Committee directed that -

- (i) all the disciplinary cases should be brought to their logical conclusion expeditiously;
- (ii) copies of the Inquiry Report, the order of the authority and references made to the Secretary Finance should be produced to Audit; and
- (iii) the **Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

2. Para I-A-3: Page 289; Payments at Higher Rates-Rs.484,097/-

28-2-2001: The Committee was not satisfied with the explanation advanced by the Department for enhancing the scope of development schemes during execution and directed that the Administrative Department should determine the facts of each case separately and where it was satisfied that there was justification for enhancement of scope of work, it should seek regularization from the competent authority and where it was not satisfied with the justification for doing the same, then it should proceed to recover the amount of excess payment besides disciplinary action against the officers responsible for over-payment. The para was kept pending.

22-5-2001: The Department explained that as per directions of the PAC dated February 28, 2001, Enquiry Officer has been appointed on May 14, 2001 to conduct the preliminary probe to establish facts and fix responsibility.

The Committee observed that the Department took 2½ months time in appointing an enquiry officer. The Committee emphasized on the Administrative Department to take immediate action towards implementation of direction of the Committee dated February 28, 2001, without further loss of time. Any further delay would not be tolerated. The para was kept pending.

3-10-2001: The Department explained that on the basis of inquiry report, action had been initiated against the defaulters under the Punjab Removal from Service (Special Powers) Ordinance, 2000. A member of the Inquiry Committee had been transferred and another officer had been nominated in his place.

The Committee directed that the charge sheet in this case should be shown to Audit and the disciplinary action should be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC

dated October 3, 2001.

The Department explained that in compliance with the PAC Directive dated October 3, 2001 the inquiry report had been completed under the Punjab Removal from Service (Special Powers) Ordinance 2000 and submitted to the Authority on October 22, 2001. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 23, 2002. Major penalty of recovery of Rs. 20,801/- had been imposed on the XEN concerned who was in service. The deceased XEN had been held responsible for the loss of Rs. 34,600/- and his case would be sent to the Finance Department for write off. The concerned SDO had been held responsible for the loss of Rs. 20,801/- and his case would be sent to PAK PWD for final order. Major penalty of retirement from service had been imposed on another SDO of Local Government & Rural Development Department. Recovery of Rs.34,600/- from another SDO of Local Government & Rural Development Department would be made as arrears of Land Revenue. Recovery of Rs.34,600/- had been imposed on one sub-engineer who was in service. Action against another sub-engineer in service was being initiated through show cause notice for causing loss to Government amounting to Rs.20,801/-. The case of concerned Resident Assistant Director Local Fund Audit was being sent to Secretary Finance Department for taking action being the competent authority.

The Committee directed that -

- (i) The recovery should be effected expeditiously;
- (ii) copies of the Inquiry Report, the order of the authority and references made to the Secretary Finance should be produced to Audit; and
- (iii) the **Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

3. Para I-A-4: Page 289; Payments at Higher Rates-Rs.436,669/-

28-2-2001: During discussion on the para, the Department conceded that the rates were increased after execution of contract agreements.

The Committee directed that the Administrative Department should inquire into the matter to ascertain full facts, and if excess payment was established, it should proceed to recover the amount of excess payment besides action against the officers responsible for excess payment. The para was kept pending.

22-5-2001: The Department explained that as per directions of the PAC dated May 28, 2001, Enquiry Officer has been appointed on April 30, 2001 to conduct the preliminary probe to establish facts and fix responsibility.

The Committee observed that the Department had made no progress in implementing the directive of the Committee. The Department made a commitment that the inquiry would be finalized by June 7, 2001. The Committee directed the Department to send a report to the Public Accounts Committee Secretariat by June 7, 2001 and proceed further for recovery and disciplinary action as warranted by law or rules. The para was kept pending.

3-10-2001: The Department explained that on the basis of inquiry report, action against the defaulters had been initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed that the charge sheet should be got vetted by Audit, and action be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that in compliance with the PAC Directive dated October 3, 2001 the inquiry had been completed under the Punjab Removal from Service (Special Powers) Ordinance 2000 and report submitted to the Authority on October 22, 2001. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the Committee dated October 29, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 23, 2002. The Department explained that the case of concerned XEN had been submitted to the Authority for passing final order as he had been found guilty of causing loss to the Government to the extent of Rs. 18,416/-. Recovery of Rs. 18,416/- had been ordered from one SDO (Retired) as arrears of Land Revenue. One retired SDO and one Sub Engineer had been exonerated. Action had been initiated against one Sub Engineer through Show Cause Notice for causing loss to Govt. amounting to Rs. 18,416/-. All the accused persons in the case of advance para No. 109 had been exonerated.

The Committee directed that -

- (i) Recovery/action should be completed expeditiously;
- (ii) copies of the Inquiry Report and order of the authority should be produced to Audit; and
- (iii) the **Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

4. Para I-A-7: Page 291; Payments at Higher Rates-Rs.90,295/-

28-2-2001: As recommended by Audit, the Department was directed by the Committee to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: After verification of record, Audit had reported that short carriage was not admissible as lead had been allowed in the contract agreement, therefore, the excess payment of Rs.90,295/- should be recovered. The Committee directed that the Department should proceed to recover the amount of excess payment. The para was kept pending.

3-10-2001: The Department explained that action against the responsible officer/ officials had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that the charge sheet should be got vetted by Audit and action should be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that on the basis of fact finding inquiry report the

competent authority had issued show cause notices to the accused officer/officials under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee expressed displeasure at the delay in taking action and directed the Department to effect recovery and take action against the persons at fault without further loss of time by following proper procedures. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 was finalized on January 24, 2002. Recovery of ¼ of the loss had been ordered from the concerned Sub-Engineer. The case for recovery of ¼ of the loss from the concerned SDO was being referred to Pak PWD for passing final orders. The case of concerned XEN (deceased) was being sent to the Finance Department for writing off ¼ of the loss. Recovery proceedings from the concerned SDO (dismissed) were being initiated through show cause notice because he was not proceeded against earlier due to the fact that his case regarding all paras had been sent to the RAB.

The Committee directed that -

- (i) Recoveries imposed should be effected expeditiously;
- (ii) copies of the Inquiry Report, the order of the authority and references made to the Secretary Finance should be produced to Audit; and
- (iii) the **Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

5. Para I-A-8: Page 291; Payments at Higher Rates-Rs.70,354/-

28-2-2001: As recommended by Audit, the Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: Audit had pointed out that an incorrect rate of Rs.522.98 per sft. had been paid for sand filling under sub-base course instead of the admissible rate of Rs.385.30 per sft. The Department did not contest Audit observation.

The Committee directed that the Department should proceed to recover the amount of excess payment. The para was kept pending.

3-10-2001: The Department explained that action against the responsible officer/officials had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that the charge-sheet should be got vetted by Audit and action should be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that on the basis of fact finding inquiry report, the competent authority had issued show cause notices to the accused officer/officials under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed the Department to expedite action both for recovery and action against the officer/officials at fault. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October

29, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 24, 2002. Major penalty of recovery of $\frac{1}{4}$ share had been ordered from the concerned XEN and Sub-Engineer each. Recovery proceedings were being initiated against the concerned Superintending Engineer (Retired) and the SDO (dismissed) through show cause notices under the relevant rules.

The Committee directed that -

- (i) The recovery should be effected expeditiously;
- (ii) copies of the Inquiry Report and the order of the authority should be produced to Audit; and
- (iii) **the Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

6. Para I-A-10: Page 292; Payments at Higher Rates-Rs.54,212/-

28-2-2001: As recommended by Audit, the Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: Audit had pointed out that incorrectly computed non-schedule rate of Rs.105/- per sft had been paid for an item instead of admissible rate of Rs.84/- per sft, resulting in an overpayment of Rs.54,212/-. During record verification the Department could not justify its action and Audit had stressed the recovery of excess Payment.

The Committee directed that the Department should proceed to recover the amount of excess payment. The para was kept pending.

3-10-2001: The Department explained that action against the responsible officer/officials had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that the charge-sheet be got vetted by Audit and action be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that on the basis of fact finding inquiry the competent authority had issued show cause notices to the defaulting officers/officials under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee expressed its displeasure at the delay in this case and directed that measures should be expedited both for recovery and action against the officers/ officials at fault. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 24, 2002. Major penalty of recovery of $\frac{1}{4}$ share of loss had been ordered from each of the concerned XEN and Sub Engineer. The case of another XEN for recovery of $\frac{1}{4}$ share of loss was being sent to the authority for passing final order. Recovery proceedings would be initiated against the concerned SDO under Pension Rules for recovery of the remaining amount.

The Committee directed that -

- (i) Action/recovery should be completed expeditiously;
- (ii) copies of the Inquiry Report and the order of the authority should be produced to Audit; and
- (iii) the **Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

7. Para I-B-4: Page 295; Excessive Measurements-Rs.114,827/-

28-2-2001: As recommended by Audit, the Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: During discussion, the Department admitted Audit observation.

The Committee directed the Department to proceed for recovery and disciplinary action against the officer responsible for excess payment. The para was kept pending.

3-10-2001: The Department explained that action against the responsible officer/officials had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that the charge sheet be got vetted by Audit and action be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that in compliance with the PAC Directive dated May 24, 2001 action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been initiated against the officers/officials at fault.

The Committee expressed its displeasure for the delay in the case and directed that recovery be effected and action against the defaulting officers/officials be completed expeditiously. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 24, 2002. Minor penalty of stoppage of 2 increments had been imposed on the concerned XEN. Disciplinary action against concerned SDO through show cause notice was being initiated because he was not proceeded against on the presumption that a consolidated case regarding all paras had already been sent to RAB. Minor penalty of stoppage of one increment had been imposed on the concerned Sub-engineer because he admitted his mistake which was subsequently rectified and the work was actually executed at site.

The Committee directed that -

- (i) Recovery/action should be completed expeditiously;
- (ii) copies of the Inquiry Report and order of the competent authority should be produced to Audit; and
- (iii) the **Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

8. Para I-B-5: Page 296; Excessive Measurements-Rs.53,303/-

28-2-2001: The Committee was not satisfied with the explanation of the Department and directed that the Administrative Department should hold inquiry to ascertain facts and take action for regularization of the change in scope of work and take action for recovery of the amount of excess payment besides disciplinary action against the officers concerned. The para was kept pending.

22-5-2001: The Committee directed that its observations and directions in para 1-A-4 should also apply to para I-B-5. The para was accordingly kept pending.

3-10-2001: The Department explained that action against the responsible officer/officials had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that the charge sheet be got vetted by Audit and action be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Committee directed that its observation and directions in para 1-B-4 apply to para I-B-5 also. The para was accordingly kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 24, 2002. Major penalty of recovery of Rs. 26,651/- had been imposed on the concerned XEN. Recovery of Rs. 26,651/- had been ordered from the concerned SDO (Retired) as arrears of Land Revenue. Case against the concerned Assistant Director (deceased) had been dropped. Minor penalty of censure had been awarded to the concerned Sub Engineer. Reference had been made to the Secretary Finance for disciplinary action against the concerned Resident Assistant Director, Local Fund Audit.

The Committee directed that -

- (i) the recovery/action should be completed expeditiously;
- (ii) copies of the Inquiry Report, the order of the authority and references made to the Secretary Finance should be produced to Audit; and
- (iii) the **Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

9. Para I-C-1 Page 296 Payment at Higher Premium Rs.330,489/-

28-2-2001: The Department did not defend the para and proposed that it would take action in the matter under the law. The para was kept pending.

22-5-2001: In the previous meeting held on February 28, 2001, the Department did not defend Audit observations made in this para and was directed to take action in the matter under the law. But now the Department stated that a preliminary inquiry had been ordered on May 14, 2001 to establish facts and fix responsibility.

The Committee directed that the Department should proceed to recover the amount of excess payment and take disciplinary action against the officers responsible for excess

payment. The para was kept pending.

3-10-2001: The Department explained that action against the defaulters had been initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed that the charge sheet should be got vetted by Audit and action be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Committee directed that its observations and directions in para 1-B-4 apply to para I-C-1 also. The para was accordingly kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 24, 2002. The case for recovery of Rs. 165,244/- from the concerned SDO was being sent to Pak PWD being the competent authority in his case. Major penalty of recovery of Rs. 155,344/- had been imposed on the concerned Sub-Engineer who was in service.

The Committee directed that -

- (i) the recovery/action should be completed expeditiously;
- (ii) copies of the Inquiry Report and the order of the authority and references made to Pak PWD should be produced to Audit; and
- (iii) the **Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

10. Para I-D-1: Page 299; Payment of Excessive Quantities-Rs.401,785/-

28-2-2001: As recommended by Audit, the Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: The Department had pointed out that excessive quantities of earth filling had been paid than the quantities provided in the tender document. The Department explained that in the MNAs' sponsored Schemes, frequent changes in the proposed work after tendering had been made under political pressure.

However, after verification of record Audit reported that the Department had failed to produce Technical Sanction Estimates, Measurement Books and approved Site Plans etc. to Audit for verification.

The Committee directed the Department to proceed for recovery of excess payment and taking disciplinary action against the officers responsible for overpayment. The para was kept pending.

3-10-2001: The Department explained that action against the responsible officer/ officials had been initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed that the charge sheet should be got vetted by Audit and action be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that action had been initiated against the officers/ officials responsible for the irregularity. It was also stated that difficulties were being faced by the Department due to non-service of notices to the defaulting officers.

The Committee directed that the procedure prescribed under the law for service of notices to the accused officers and securing their attendance should be meticulously followed and action regarding recovery and action against the defaulters be expedited. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 24, 2002. Major penalty of recovery of Rs. 101,946/- had been imposed on the XENs concerned. Case regarding disciplinary action and recovery of Rs.101,946/- was being referred to the competent authority for final orders. Recovery proceedings against two concerned SDOs (both retired) through show cause notices under the Pension Rules had been kept pending for want of advice from the S&GAD. Minor penalty of stoppage of one increment had been imposed on Sub Engineers. Case regarding the concerned Resident Assistant Director, Local Fund Audit was being sent to the Secretary Finance for disciplinary action.

The Committee directed that -

- (i) action/recovery should be completed expeditiously;
- (ii) copies of the Inquiry Report, and the order of the authority and references made to the Secretary Finance should be produced to Audit; and
- (iii) the **Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

11. Para II-A-2: Page 305; Non Recovery of Cost of Material Rs.169,575/-

28-2-2001: Audit reported that a formation failed to recover the cost of old dismantled material such as bricks, brickbats and Steel bars. The material was neither reused/taken to stock register nor value thereof was recovered from the contractor. This resulted in non recovery of Rs.633,880/- of Government dues from September 1991 to June, 1993.

The Department replied that some material was used and the remaining material was reduced dust over time. As to non recovery of old material the local community took over the old material for constructing the nullah which was in a dilapidated condition.

Audit pointed out that after verification of record, the amount of para stood reduced to Rs.125,141/-

The Committee directed the Department to produce the relevant record to Audit for verification and if recovery was warranted, the same should be made. The para was kept pending.

23-5-2001: After verification of record, Audit commented that the Department had not produced complete record showing balance recovery of Rs.125,141/- on account of old dismantled material. The Department admitted that the whole record was not available to establish that the dismantled material was properly accounted for.

The Committee directed the Department to initiate proceedings for recovery and disciplinary action against the officers responsible for non-accountal of the dismantled

material. The para was kept pending.

29-10-2001: The Department explained that the competent authority had issued show cause notices to twelve officers/officials vide order dated October 23, 2001 under the Punjab Removal from Service (Special Powers) Ordinance, 2000. The para was kept pending with the direction that the Department may complete the action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that action had been completed under the Punjab Removal from Service (Special Powers) Ordinance, 2000 on January 24, 2002. Major penalty of recovery of the amount of loss to Government from all concerned had been ordered under the law except Mr Muhammad Aslam, Rural Development Assistant, ADLG Office, Lahore who had been exonerated.

The Committee directed that -

- (i) recovery/action should be completed expeditiously;
- (ii) copies of the inquiry report and orders of the competent authority should be produced to Audit; and
- (iii) the **Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

12. Para III-A-I: Page 307; Irregular Acceptance/Award of Works Rs.1,082,360/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

23-5-2001: Audit had pointed out that works costing Rs.1,082,360/- had been allotted to contractors, without obtaining deposit of 2% earnest money. In the Working Paper for the Committee's meeting held on March 1, 2001, the Department had categorically stated that tender forms were issued to only those contractors who possessed the CDR (Cash Deposit Receipts) amounting to 2% as earnest money. But in the present meeting the Department stated that the Para related to 210 Schemes and an inquiry had been ordered on May 14, 2001 to determine the correct factual position.

The Committee directed that?

- (a) progress of the inquiry should be intimated to PAC Secretariat by 7.6.2001, and further action should be initiated forthwith; and
- (b) a probe should be held and action taken for providing incorrect information to the Committee in the previous Working Paper. The para was kept pending.

29-10-2001: **The para was settled** with the direction that action against the persons at fault be completed under the Punjab Removal from Service (Special Powers) Ordinance 2000 expeditiously, and that the Finance Department should monitor and report progress to the Committee.

26-1-2002: The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 24, 2002. The case of one concerned SDO was being sent to Pak PWD for disciplinary action. One Sub Engineer had been exonerated as he had been wrongly implicated. Cases against all other accused had been dropped because they had retired from service and the issue framed by Audit was undue

favour and not loss to the Government.

The **para was settled** with the direction that further action should be pursued by the Administrative Department and **should be monitored by the Finance Department.**

13. Para III-A-2: Page 308; Irregular Acceptance/Award of Works Rs.248,302/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

23-5-2001: Audit had pointed out that the deletion of the items carrying low rates and increase in quantity of items carrying higher (favourable) rates, after the award of contract had resulted in converting the 2nd lowest tender into the lowest tender. The Department explained that variations in works had been made according to the wishes of the sponsors of the schemes. In the last meeting, the Department was directed to produce the requisite record to Audit for verification. But in the present meeting the Department explained that an inquiry had been ordered on May 14, 2001.

The Department was directed to report the completion of inquiry to the PAC Secretariat by June 7, 2001, and initiate proceedings for recovery and disciplinary action against the officers responsible for the irregularity. The Para was kept pending.

29-10-2001: The Department explained that findings of the inquiry Committee constituted under the Punjab Removal from Service (Special Powers) Ordinance, 2000 were under examination. The para was kept pending with the direction that the Department may complete the action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 23, 2002. Major penalty of recovery of total loss had been imposed on two concerned XENs and three SDOs. The case in respect of one deceased XEN was being sent to the Finance Department and the case of one SDO was being sent to Pak PWD for passing final orders. Recovery from one SDO already dismissed would be made as arrears of Land Revenue. Both Sub Engineers involved had been exonerated. Reference was being made to the Finance Department for disciplinary action against the concerned Resident Assistant Director, Local Fund Audit.

The Committee directed that -

- (i) the recovery/action should be completed expeditiously;
- (ii) copies of the Inquiry Report/reference made to Secretary Finance Department and Pak. PWD should be provided to Audit; and
- (iii) **the Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

14. Para III-B-1: Page 309; Incomplete Works Rs.300,674/-

1-3-2001: The Department was directed to produce the requisite record to Audit for verification. The para was kept pending.

23-5-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001.

The Committee directed that the Departmental representative should visit the site and

verify that 6” dia sewer pipe was actually laid without earth excavation and without under laying of brick-base and submit a report to the Committee on May 24, 2001. The para was kept pending.

30-10-2001: The Department explained that the findings of the Inquiry Committee had been received and were being examined. It was also stated that the persons at fault have absconded, probably abroad.

The Committee directed the Department to serve notices to the absconders at their home addresses and simultaneously publish a notice in the newspaper. The para was kept pending with the direction that the Department shall report to the PAC about the action taken within one month.

26-1-2002: The para was considered in the light of the directive of the Committee dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was finalized on January 23, 2002. Major penalty of recovery of total loss to Government had been imposed on the concerned XEN, three SDOs and one Sub Engineer. The cases of concerned XEN and one SDO were being sent to the competent authority for final orders. Recovery from two other SDOs (one retired and one dismissed) would be made as arrears of Land Revenue.

The Committee directed that?

- (i) the recovery/action should be completed expeditiously;
- (ii) copies of the Inquiry Report/Orders of the competent authority should be provided to Audit; and
- (iii) the **Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

15. Para III-E-2: Page 313; Payment at Higher Rates Rs.139,140/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: The Department explained that as per the direction of the PAC dated February 28, 2001, preliminary inquiry had been ordered on May 14, 2001 to establish facts and to fix responsibilities. The Committee directed that the inquiry should be completed by June 7, 2001, and further action on the basis of the inquiry report should be initiated forthwith. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee’s meetings held on March 1, 2001 and May 24, 2001.

The Department explained that the inquiry Committee had submitted its findings on 24 October 2001, and some more time would be required to complete the formalities before taking final action. The para was kept pending with the direction that the Department may complete action expeditiously.

26-1-2002: The para was considered in the light of the PAC directive dated October 30, 2001. The Department explained that action had been completed under the Punjab Removal from Service (Special Powers) Ordinance, 2000 on January 23, 2002. Major penalty of recovery of excess payment had been imposed on the accused SDO (already dismissed) and Sub Engineer Incharge as per law.

The Committee directed that -

- (i) the recovery/action should be completed expeditiously;
- (ii) copies of the Inquiry Report/Orders of the competent authority should be provided to Audit; and
- (iii) **the Finance Department should monitor** further action in the matter.

With the above direction, **the para was settled.**

16. Para III-I-1: Page 317; Payment Against Specification Rs.215,035/-

28-2-2001: The Committee was not satisfied with the explanation of the Department and directed that the Administrative Department should hold inquiry to ascertain the facts and take action according to the law. The para was kept pending.

24-5-2001: The Department explained that as per the direction of the PAC dated February 28, 2001, preliminary inquiry had been ordered on April 30, 2001 to establish facts and to fix responsibilities.

The Committee directed that the inquiry should be completed by June 7, 2001, and further action on the basis of the Inquiry Report be initiated forthwith. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on February 28, 2001 and May 24, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the Committee dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been finalized on January 24, 2002. Major penalty of recovery of total amount of loss from the concerned XEN and SDO (dismissed) on equal share basis had been imposed to be recovered under the relevant laws. The concerned Sub Engineer had been exonerated as he had supervised the work as per approval of the higher authorities.

The Committee directed that recovery should be completed expeditiously, copies of the proceedings and orders of the competent authority should be provided to Audit and further action should be **monitored by the Finance Department.** With the above direction, **the para was settled.**

17. Para III-J-1: Page 318; Non-Forfeiture of Earnest Money Rs.157,994/-

1-3-2001: The Committee did not feel satisfied with the explanation of the Department and directed that the earnest money of the contractors who failed to execute the work awarded to them, should have been forfeited, and if it had not been forfeited, then the amount should be recovered from the officials who wrongfully refunded the same. The para was kept pending.

24-5-2001: The Department pointed out that a preliminary inquiry had been ordered on April 30, 2001 to probe into the matter and to fix responsibility. The Committee in its meeting dated March 1, 2001 had directed that the earnest money of the contractors who had failed to execute the work awarded to them should have been forfeited and if it had not been forfeited,

the amount should be recovered from responsible officials who wrongly refunded the same. The Committee observed it was not necessary to delay the implementation of its directive by holding a preliminary inquiry and directed that the Department should implement, without delay, the previous direction of the PAC dated March 1, 2001. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Department explained that action against the persons at fault under the Punjab Removal From Service (Special Powers) Ordinance 2000 was in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been finalized on January 24, 2002. Major penalty of recovery of the amount had been imposed on the Officers concerned, as the earnest money was released by them to the defaulting contractors.

The Committee directed that the recovery should be completed expeditiously, copies of the inquiry report and order of the authority should be provided to Audit and recovery/further **action should be monitored by Finance Department.** With the above direction, **the para was settled.**

18. Para IV-A-3: Page 320; Fictitious Record Entries Rs.93,729/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: The Department explained that there was an observation on record that actual work had not been done according to the entries in the measurement books. An inquiry was therefore needed.

The Committee directed that the persons at fault, including the Executive Engineer, Assistant Engineer and Sub Engineer concerned should be proceeded against under the law/ rules and the recovery process should be initiated. It should also be examined if the contractor in this case could also be held liable. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Department explained that the findings of the inquiry Committee had been received and were being examined. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been finalized on January 24, 2002. Major penalty of recovery of Rs. 18,746/- had been imposed on the accused XEN. One of the accused SDO (Retired) had been exonerated. Recovery of Rs.18,746/- had been imposed on another accused SDO (Retired) to be recovered as arrears of Land Revenue. Recovery of Rs.18,746/- had been imposed on the concerned Sub Engineer and a case was being referred to the Finance

Department for writing off the loss of Rs. 18,746/- for which the concerned Assistant Director, LG&RD (deceased) had been held responsible. The case regarding the concerned Assistant Director, Local Fund Audit was being referred to the Secretary Finance for disciplinary action and recovery of Rs. 18,746/-.

The Committee directed that the recovery/action should be completed expeditiously, copies of the inquiry report and order of the authority should be provided to Audit and recovery/further action should be **monitored by Finance Department**. With the above direction, **the para was settled**.

19. Para IV-D-2: Page 327; Doubtful Payment of Rs.154,979

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: Audit pointed out that the Department had failed to produce the requisite record for Audit verification. The Department stated that the facts of the case were not clear and the matter needed an inquiry. The Committee directed the Department to hold an inquiry without delay and take disciplinary action under the law/rules against the persons, at fault. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Department explained that the findings of the Inquiry Committee had been received and were being examined. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 had been finalized on January 23, 2002. Proposal for 50% recovery of the un-justified/unauthorized payment from the concerned XEN was being referred to the competent authority for passing final orders. Recovery of the remaining 50% from the concerned SDO (Retired) would be pursued as arrears of Land Revenue. Minor penalty of censure had been awarded to the concerned Sub Engineer. The case for disciplinary action against the concerned Assistant Director, Local Fund Audit was being referred to the Secretary, Finance Department.

The Committee directed that recovery/action should be completed expeditiously, copies of the inquiry report/orders of the competent authority and reference made to Finance Secretary should be produced to Audit, and further action in the matter should be **monitored by the Finance Department**. With the above direction, **the para was settled**.

20. Para IV-D-3: Page 328; Doubtful Payments Rs.82,875/-

1-3-2001: Audit pointed out that the scope of work had been changed unauthorizedly and the funds diverted for purchase of desks. The Department explained that disciplinary action against the officers responsible for the irregularities is already in progress.

The Committee directed the Department that disciplinary action may be completed within three months and the record be got verified by Audit. The para was kept pending.

24-5-2001: The Department explained that an Inquiry Officer had been appointed on April

30, 2001 to conduct the preliminary probe to establish facts and to fix responsibilities. The Committee directed that a report be submitted to Public Accounts Committee by June 7, 2001 and disciplinary action under the law/rules should be taken expeditiously against the persons at fault. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meetings held on March 1, 2001 and May 24, 2001.

The Department explained that the findings of the Inquiry Committee had been received and were being examined. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the Committee dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been finalized on January 23, 2002. Minor penalty of stoppage of one increment had been awarded to all the accused Officers/Officials who were in service. The case against retired Assistant Director had been dropped and the case of the concerned SDO was being referred to the Pak PWD. The case of the concerned Assistant Director, Local Fund Audit was being referred to the Secretary Finance for disciplinary action.

The Committee directed that copies of the inquiry report, orders of the competent authority and references made to Pak PWD and Finance Secretary should be produced to Audit and further action in the matter should be **monitored by the Finance Department**. With the above direction, **the para was settled**.

21. Para IV-D-4: Page 328; Doubtful Payments Rs.81,905/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: Audit pointed out that the original record as per directions of the PAC dated March 1, 2001, had not been produced for Audit verification. The Department explained that the original record required by Audit was available and could be presented as and when convenient to Audit. The para was settled subject to verification of record by Audit.

30-10-2001: The para was considered with reference to the minutes of the meetings held on March 1, 2001 and May 24, 2001.

The Department explained that the record would be produced to Audit for verification within two or three days. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that all the relevant record had been produced to Audit and was under verification.

The Committee decided to **settled the para subject to verification** of the record by Audit.

22. Para IV-E-2: Page 329; Irregular Payment of Rs.505,844/-

1-3-2001: Audit pointed out that the scope of work and specifications had been changed during execution of work which needed revised administrative approval.

The Committee directed the Department to take necessary action in the matter. The

para was kept pending.

24-5-2001: The Department explained that a preliminary probe was ordered on May 14, 2001 to establish facts and fix responsibility. The Committee directed that the preliminary probe should be completed by June 7, 2001, and further action under the law/rules be initiated forthwith. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001. The para was settled subject to verification of record by Audit.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that all the relevant record had been produced to Audit and was under verification. **The para was settled subject to verification** by Audit.

23. Para VI-B-2: Page 343; Misutilization of Revenue Receipts Rs.1,285,502/-.

1-3-2001: Audit had pointed out that in violation of the Financial Rules, the receipts of the Department were not deposited into Government treasury, but utilized towards expenditure.

The Department explained that after June 1993 the amount of enlistment fee, revenue receipts, etc. were being deposited into treasury.

The Committee directed the Department that an inquiry should be held into the financial irregularities pointed out by Audit for fixing responsibility and taking disciplinary action. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 had been finalized on January 24, 2002. All the accused officers had been exonerated because the major amount had been deposited in the relevant receipt head and remaining amount of Rs.156,540/- lapsed in the PLA and was not misutilized.

The Department was directed to produce the copies of the inquiry report and order of the competent authority to Audit. **The para was settled subject to verification** by Audit.

Dera Ghazi Khan Development Authority

1. Para I-1(161): Page 347; Non-recovery of Government Dues- Rs.2,673,623/-

1-3-2001: The Department explained that the actual recoverable amount from the defaulting contractors was Rs.1,784,274/-. Their security deposits amounting to Rs.397,803/- had been forfeited. The proceedings for recovery of the balance Government dues as Arrears of Land Revenue, through the Deputy Collector, had been initiated.

The Committee directed the Department to produce the relevant record to Audit to reconcile the recoverable amount. Moreover, proper notification of recovery of Government

dues as arrear of land revenue should be issued in consultation with the Legal Advisor and the recovery be pursued. The para was kept pending.

21-5-2001: This para was considered with reference to the minutes of the Committee's meeting held on March 1, 2001.

Audit pointed out that the Department produced incomplete record on May 17, 2001 i. e. after about two and a half months of the directive of the Committee without any justification.

The Committee observed that there was a lapse on the part of the Department in not implementing the Committee's directive dated March 1, 2001 and directed that the Department should fix responsibility for the said lapse and take action against the officer at fault.

The Committee also reiterated its previous directive for production of record by the Department to Audit. The para was kept pending.

3-10-2001: After verification of record Audit had reduced the amount of the para to Rs.1,784,274/-.

The Department explained that recovery of Government dues was being pursued as Arrears of Land Revenue, through District Coordinating Officer, Dera Ghazi Khan.

The Committee directed that the recovery should be pursued and the officer who did not make timely recovery should be proceeded against. The Committee directed that **Finance Department should monitor** the recovery and disciplinary action and report to the Committee. **The para was settled.**

Paras Pended (Works Audit)

1. Para I-A-5: Page 290; Payments at Higher Rates-Rs.316,942/-

28-2-2001: During the meeting, the Administrative Department did not defend the para. The Committee directed that the Administrative Department should inquire into the matter to ascertain facts and if excess payment was established, it should proceed to take action for recovery of the excess payment alongwith disciplinary action against the officers responsible for excess payment. The para was kept pending.

22-5-2001: The Committee directed that the observations and directions given by it on para 1-A-4, shall also apply to para I-A-5. The para was accordingly kept pending.

3-10-2001: The Department explained that on the basis of inquiry report, action had been initiated against the defaulter, under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed that charge sheet be got vetted by Audit and action be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that in compliance with the PAC Directive dated October 3, 2001 the inquiry report had been completed under the Punjab Removal from Service (Special Powers) Ordinance 2000 and submitted to the Authority on October 22, 2001. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that the case under the Punjab Removal from Service (Special Powers) Ordinance 2000 had been remanded to the Inquiry Committee to clarify the position of one of the accused who had claimed that he was wrongly impleaded in the case and also to determine clearly the extent of responsibility in respect of each accused.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

2. Para I-A-6: Page 290; Payments at Higher Rates-Rs.119,810/-

28-2-2001: The Department replied that the para relates to five different development projects. In case of two projects excessive payment had been recovered from the contractors from only their outstanding dues. However, in other cases there were only procedural lapses and no excess payment was involved. The Committee directed the Department to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: The Department explained that the para related to six projects. The record of three projects had been produced to Audit and the record of remaining 3 projects was also available and would be produced to Audit. Audit had reported that as a result of verification of the partial record the amount of the para had been reduced from Rs.119,810/- to Rs.111,257/-.

The Committee directed that the Department should present the complete record to Audit for verification without further loss of time. The para was kept pending.

3-10-2001: The Department explained that in compliance with the PAC directive all the record had been produced to Audit, but Audit commented that the same had not been produced.

The Committee directed that the Department should produce complete record to Audit for verification. The instructions from previously in respect of production of record for Audit verification should be followed strictly in order to avoid such disputes. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

Audit verified that an amount of Rs.8,553/- had been recovered, and as a result the amount of the para has been reduced from Rs.119,810/- to Rs.111,257/-. Audit further stated that the Department had not produced the entire record for verification.

The Committee directed the Department to effect recovery of the balance, produce the required record to Audit immediately and take disciplinary action against the officer/officials responsible for delay in producing the record to Audit. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that the Competent Authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against concerned persons and had constituted an Enquiry Committee headed by S.E. Local

Government & Rural Development Punjab.

The Committee directed that the necessary action should be completed expeditiously.

The para was kept pending.

3. Para I-A-9: Page 292; Payments at Higher Rates-Rs.67,881/-

28-2-2001: The Committee was not satisfied with the reply of the Department and directed that the Administrative Department should inquire into the matter to ascertain facts, fix responsibility for excess payment and initiate action for recovery of excess payment along with disciplinary action against the officers concerned. The para was kept pending.

22-5-2001: The Committee directed that the observations and directions given in para 1-A-4 should also apply to para 1-A-9. The para was accordingly kept pending.

3-10-2001: The Department explained that action against the responsible officer/officials had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that the charge-sheet should be got vetted by Audit and action be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that on the basis of preliminary inquiry the competent authority had ordered disciplinary action against the defaulters under the Punjab Removal from Service (Special Powers) Ordinance, 2000 and have constituted an inquiry Committee on August 26, 2001.

The Committee expressed displeasure at the delay in taking action and directed that the Department should expedite measures both for recovery and action against officers/officials at fault. In case the addresses of persons at fault were not known, the desirability of putting suitable advertisements in newspapers should be considered. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 and constituted an Inquiry Committee headed by Director General (Inspection). The report of the Enquiry Committee was still awaited as the Chairman of the Committee had proceeded on ex-Pakistan leave for performing UMRA.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

4. Para I-A-11: Page 293; Payments at Higher Rates-Rs.53,234/-

28-2-2001: As recommended by Audit, the Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: Audit had pointed out excess payment of Rs.53,239/- due to payment of higher rates of steel than admissible. On verification of record Audit had enhanced the amount of the para from Rs.53,234/- to Rs.135,573/- due to excess consumption of steel as against technically sanctioned estimate. The Department did not contest Audit observations.

The Committee directed that the Department should proceed to recover the amount of excess payment and take disciplinary action against the officers responsible for excess

payment. The para was kept pending.

3-10-2001: The Committee did not accept the explanation of the Department and reiterated its previous decision dated May 22, 2001 for recovery of excess payment and disciplinary action against the defaulters. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that action against the defaulters had been initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee suggested that the Department might consider the desirability of compiling a list of all such ex-employees who had absconded and were reported to have emigrated. Suitable action can then be initiated under the law through the Embassies concerned. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that the competent authority had ordered disciplinary action against the persons responsible under the Punjab Removal from Service (Special Powers) Ordinance, 2000 and had constituted an Inquiry Committee headed by Superintending Engineer, Local Government & Rural Development Department Punjab.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

5. Para I-A-12: Page 293; Payments at Higher Rates-Rs.297,688/-

28-2-2001: The Department explained that the matter had been duly examined and it was found that scope of work had been changed by the competent authority and payment was made according to the approved estimate. The representative of Finance Department along with Audit pointed out that technical sanction could not go beyond 10% of the Administrative Approval and as such Administrative Approval was needed.

The Committee directed that the Department should look into the matter in the light of existing instructions on the subject and take action accordingly. The para was kept pending.

22-5-2001: The Department explained that the case for obtaining revised Administrative Approval had been submitted to Divisional Development Sub-Committee, Sargodha on April 24, 2001, and the case was being pursued.

The Committee directed that if the revised Administrative Approval was not granted by the Competent Authority, the Department should proceed to take further action under the law. The para was kept pending.

3-10-2001: The Department explained that revised Administrative Approval was in process in the light of the advice of the Finance Department.

The Committee directed that action should be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Committee expressed displeasure at the delay in this case. The Department was

directed to effect recovery of Rs.297,688/- without further delay, and to take action against the persons at fault. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that the competent authority had ordered disciplinary action against the persons responsible under the Punjab Removal from Service (Special Powers) Ordinance, 2000 and had constituted an Inquiry Committee headed by Superintending Engineer, Local Government & Rural Development Department Punjab.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

6. Para I-B-I: Page 294; Excessive Measurements-Rs.428,881/-

28-2-2001: As recommended by Audit, the Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: Audit had pointed out that pre-mixed carpeting had been paid for greater length than the length of the base course. In the previous working paper the Department explained that certain streets required laying of base course for levelling and raising while others required carpeting only because the road crust of the existing streets was intact. The Department had been directed to produce the relevant record to Audit to prove its contention. Audit reported that the Department had not produced the whole record, the Committee directed the Department to produce all the record required by Audit. The para was kept pending.

3-10-2001: The Department explained that the record had been produced to Audit, but Audit commented that the same had not been produced.

The Committee directed that the Department should produce the relevant record to Audit for verification. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that so far as variations in quantities of items from BOQ sanctioned estimates and their approved revisions were concerned, the schemes were executed in close consultation with former MPAs & MNAs and their local representatives, and such variations had to be incorporated to satisfy the demands of local people.

Audit stated that the Department had failed to produce the relevant record inspite of the directive of PAC dated May 22, 2001.

The Committee directed that recovery be made from the XEN and others concerned. Moreover, disciplinary action should also be taken against the defaulting officers. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that the competent authority had ordered disciplinary action against the persons responsible under the Punjab Removal from Service (Special Powers) Ordinance, 2000 and had constituted an Inquiry Committee headed by Superintending Engineer, Local Government & Rural Development Department Punjab.

The Department was directed to complete the necessary action expeditiously. **The**

para was kept pending.

7. Para I-B-2 Page 294 Excessive Measurements-Rs.380,632/-

28-2-2001: As recommended by Audit, the Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

22-5-2001: Audit reported that the Department had produced some record in support of Departmental reply to Audit on May 18, 2001 but the said record did not substantiate the plea of the Department in respect the record entries made in the measurement book for excess earth work excavation. The Department requested for 2 weeks time to get the record verified. The para was kept pending.

3-10-2001: The Department explained that the record had been produced to Audit but Audit pointed out that the same had not been produced.

The Committee directed that the Department should conduct inspection of site to determine the factual position and take action accordingly. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that a Departmental Committee had inspected the site on October 22, 2001 and submitted its report which was under examination.

Audit reported that the Department failed to produce complete record for verification in compliance with the directions of the Committee dated May 22, 2001.

The Committee was not satisfied with the explanation of the Department and directed that charge sheets should be issued to the defaulting officers for effecting recovery, action should be taken against them under the Punjab Removal from Service (Special Powers) Ordinance, 2000. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that the competent authority had ordered disciplinary action against the persons responsible under the Punjab Removal from Service (Special Powers) Ordinance, 2000 and had constituted an Inquiry Committee headed by Superintending Engineer, Local Government & Rural Development Department Punjab.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

8. Para I-C-5: Page 298; Payment at Higher Premium Rs.536,242/-

28-2-2001: The Committee directed that the Department should hold inquiry into alleged tempering of record, as pointed out by Audit and if tempering was established, criminal cases should be initiated against the concerned officers. The action should be completed within 4 months. The para was kept pending.

22-5-2001: The Department explained that inquiry in the matter had been ordered on April 30, 2001.

The Committee re-iterated its previous direction dated 28-2-2001. The para was kept pending.

3-10-2001: The Department explained that action against the responsible officer/officials had been initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed that the charge sheet should be got vetted by Audit and action be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

The Department explained that inquiry already initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000 would be completed within next 15 days. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that the report of the Inquiry Committee constituted under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been completed and was being considered by the competent authority for final decision. The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

9. Para I-D-2: Page 299; Payment of Excessive Quantities-Rs.207,427/-

28-2-2001: The Committee was not satisfied with the explanation given by the Department and directed that the Department should inquire into the matter and take necessary action under the law. The para was kept pending.

22-5-2001: The Committee directed that its observations and directions given in para 1-A-4 would also apply to para 1-D-2. The para was accordingly kept pending.

3-10-2001: The Department explained that action against the responsible officer/ officials had been initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed that the charge sheet should be got vetted by Audit and action be finalized expeditiously. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of the PAC dated October 3, 2001.

The Department explained that in compliance with PAC Directive dated October 3, 2001 the inquiry report has been completed under the Punjab Removal from Service (Special Powers) Ordinance 2000 and submitted to the Authority on October 23, 2001.

The Department was directed to complete the action for recovery and take action against the defaulting officers/officials expeditiously. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that inquiry report under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been remanded by the authority to the Inquiry Committee to clearly justify its findings and also identify the role of XEN and Auditor. The Department was directed to complete the action expeditiously. **The para was kept pending.**

10. Para I-E-1: Page 301; Fictitious Record Measurements of Rs.190,776/-

1-3-2001: The Department was directed by the Committee to produce the requisite record to Audit for verification. The para was kept pending.

22-5-2001: Audit had pointed out that carpeting had been paid for more length than the length of base-course. The Department explained that on some portion of streets/ roads the sub-

base was already there.

The Committee directed that the relevant record as desired by Audit should be produced, to substantiate the Departmental contention. The para was kept pending.

3-10-2001: The Department explained that the record had been produced to Audit, but Audit commented that the same had not been produced.

The Committee directed the Department to produce complete record to Audit for verification. The para was kept pending.

29-10-2001: The para was considered with reference to the minutes of the meeting of PAC dated October 3, 2001.

Audit pointed out that the scope of work was changed in contravention of rules.

The Department stated that the relevant record was not available for verification.

The Committee directed that recovery be enforced and action be taken against the defaulting officers/officials. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that the competent authority had ordered disciplinary proceedings under the Punjab Removal from Service (Special Powers) Ordinance, 2000 and constituted an Inquiry Committee headed by Superintending Engineer, LG&RD. The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

11. Para I-E-3: Page 302; Fictitious Record Measurements of Rs.133,270/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

22-5-2001: Audit had pointed out that excessive quantities of base-course and carpeting had been paid than those provided in the Technical Sanctioned Estimates. The Department explained that the deviations had been approved by the Engineer Incharge.

The Committee directed that the complete record should be produced to Audit for verification. The para was kept pending.

29-10-2001: The Department explained that partial record as available had been produced to Audit for verification. Audit, however, stressed that the Department should produce complete record in support of its contention. The para was kept pending with the directions that:-

- (i) the Department may produce complete record to Audit for verification;
- (ii) the Department and Audit may sort out the matter to arrive at the correct amount of recovery; and
- (iii) the Department may take further action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 to effect recovery from the defaulters and take action against the officers/officials at fault.

26-1-2002: The para was considered in the light of the direction of the PAC dated October 29, 2001. The Department explained that the competent authority had ordered disciplinary action against persons at fault under the Punjab Removal from Service (Special Powers) Ordinance, 2000 in respect of AP-164 and constituted an Inquiry Committee headed by

Superintending Engineer LG&RD.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

12. Para I-F-2: Page 303; Non-Deduction of Available Quantities Rs.61,340/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

23-5-2001: Audit had pointed out that lead of 10 miles had been paid against the lead of 4 miles provided in the tender and moreover certain available quantity of earth had not been adjusted.

Regarding adjustment of available quantity of earth, the Committee directed the Department to produce relevant record to Audit for verification. Regarding payment of excess lead, the Committee directed that an inquiry should be held at Secretariat level, to ascertain the facts and to determine, *inter alia*, the following points:-

- (1) when lead was 4 miles in the tender why it was increased to 10 miles;
- (2) why technical sanction was issued on the basis of work done and not before issuance of tender; and
- (3) how much lead was paid for similar work by other Departments at the same site.

The Committee directed that further action on the basis of inquiry report should be initiated immediately on receipt of the Inquiry report. The para was kept pending.

29-10-2001: The Department explained that inquiry conducted under the Punjab Removal from Service (Special Powers) Ordinance 2000 was submitted to the Authority on October 24, 2001. The para was kept pending with the direction that the Department may complete action expeditiously.

26-1-2002: The para was considered in the light of the PAC directive dated October 29, 2001. The Department explained that the competent authority had remanded the inquiry report to the Inquiry Committee with the directions to advance valid reasons by quoting precedents from other departments and also to make reference of record entries for surplus earth in support of its findings.

The Department was directed to complete the necessary action in the matter expeditiously. **The para was kept pending.**

13. Para I-G-1: Page 303; Payment Without Approval Rs.6,092,906/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

23-5-2001: The para related to non-adjustment of available quantity of earth and payment of lead for 10 miles, without provision in the tender and without approval of lead chart.

The Department explained that the amount of the Para relates to 131 Projects. In the case of 31 projects the rate of earth work was based on 1/2 to 2 miles lead. In the case of remaining 100 projects the lead provided in the tender documents and Technically Sanctioned Estimates was 10 miles. The Department contended that Lead Charts were not made for petty

projects, although the relevant Rules required that these should be prepared.

The Committee directed that action should be initiated against the officers who did not prepare the lead charts for the Projects. The Committee further directed that action should also be taken against those officers who were required to supervise the work of the above mentioned officers, but had apparently failed to do so.

The Committee directed that the inquiry on the above mentioned issues should be completed within 2 months. The para was kept pending.

29-10-2001: The Department explained that disciplinary action against the persons responsible for the irregularity was being processed under the Punjab Removal from Service (Special Powers) Ordinance 2000. The para was kept pending with the direction that the Department may expedite action.

26-1-2002: The para was considered in the light of the directive of the Committee dated October 29, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault and constituted an Inquiry Committee headed by the Superintending Engineer, LG&RD, Punjab.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

14. Para I-G-2: Page 304; Payment Without Approval Rs.427,012/-

1-3-2001: The Department was directed by the Committee that the requisite record should be produced to Audit for verification. The para was kept pending.

23-5-2001: Audit had pointed out that the slush allowance had been allowed to various contractors without approval of the Superintendent Engineer. After record verification, Audit pointed out that in two of the three Advance Paras involved in this Audit Para, the Department produced the sanction of the Superintendent Engineer for slush allowance, but the said sanctions seemed to be pre-dated and were doubtful.

The Committee directed that Audit should communicate their observations/ comments on the record produced by the Department to them within 2-3 days. The Committee directed the Department to hold inquiry in all the three cases within two months and initiate necessary action under the law. The para was kept pending.

29-10-2001: The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 and had constituted an inquiry Committee headed by DG (Inspection) Punjab vide order dated October 18, 2001. The para was kept pending with the direction that the Department may complete the action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and his report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The**

para was kept pending.

15. Para III-A-3: Page 308; Irregular Acceptance/Award of Works-Rs.172,020/-

28-2-2001: The Department explained that the scope of work was enhanced with the approval of the Director, Local Government & Rural Development Department. Audit pointed out that the case needed issuance of revised Administrative Approval or regularization from the competent authority. The para was accordingly kept pending.

23-5-2001: The para was considered with reference to the minutes of the meeting held on February 28, 2001.

The Department explained that an inquiry had been ordered on May 14, 2001.

The Committee directed that the completion of inquiry should be reported to PAC Secretariat by June 7, 2001 and proceedings should immediately be initiated for recovery and disciplinary action against the officer responsible for the irregularity. The para was kept pending.

29-10-2001: The Committee did not accept the explanation of the Department and observed that the Department had not complied with its directive dated May 23, 2001, wherein the Department was required to conduct inquiry and submit a report to PAC Secretariat by June 27, 2001, and to initiate disciplinary action against the persons at fault. The para was kept pending with the direction that the Department should take expeditious action for recovery and disciplinary action against the persons at fault.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 29, 2001. The Department explained that the matter of disciplinary action was still pending because the senior most accused officer was an employee of the Federal Government and as such a case had been moved to seek permission of the Federal Government for initiating disciplinary action.

The Committee directed that inquiry/action should be completed within 3 months. **The para was kept pending.**

16. Para III-D-1: Page 313; Misuse of Government Buildings Rs.3,179,000/-

1-3-2001: The Committee directed the Department that the requisite record should be produced to Audit for verification. The para was kept pending.

23-5-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001. The Department explained that Rs.1,057,233/- had been deposited by the owner of Community Centre Kund Bohar, the land of 3 Community Centres had been transferred to Social Welfare Department and 3 Community Centres were constructed on Church land.

The Committee directed the Department to submit a list of community centres constructed since 1985 in the province under the MNAs/MPAs schemes indicating:-

- (a) location of the each community centre
- (b) area of land
- (c) cost of construction

(d) whether the land had since been transferred in the name of the Department in the record of rights.

The Committee further directed that a copy of the decision of the Government taken after survey of these Community Centres be also submitted to the Committee in its next meeting. It may also be explained if the Community Centres were handed over to the owners of the land after recovery of the construction cost only; if so, why the Departmental charges were not recovered from them. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 23, 2001.

The Department submitted a report to the PAC on the Community Centres constructed in the province. The Department explained that 139 Community Centres out of the total number of 465 had been transferred to the Government and the rest 326 Centres were still under the control of private persons. The Department stated that the matter had already been referred to the RAB.

The Committee observed that the information supplied by the Department was not complete. The Department was directed to inform the Committee as to-

- (i) location of each Community Centre;
- (ii) area of land;
- (iii) total cost of construction;
- (iv) whether the land had been transferred in the name of the Department in the record of ownership rights;
- (v) whether Community Centres were handed over to the owners after recovery of construction cost only, and whether the Departmental charges had also been recovered;
- (vi) the total amount of recovery made so far;
- (vii) the rate and number of installments; and
- (viii) what is the amount of balance recovery still outstanding?

The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department had submitted a separate report about the Community Centres as asked for by the Committee.

The Department explained that the record of the Community Centres had been taken over by the NAB and further action would be taken in the light of the decision of the NAB.
The para was kept pending.

17. Para III-E-1: Page 315; Payment at Higher Rates Rs.412,792/-

28-2-2001: The Committee was not satisfied with the explanation of the Department and directed that Administrative Department should hold an inquiry to ascertain the facts and take action in accordance with the law. The para was kept pending.

24-5-2001: The Department explained that as per the direction of the PAC dated February 28, 2001, preliminary inquiry had been ordered on April 30, 2001 to establish facts and to fix responsibilities. The Committee directed that the inquiry should be completed by June 7, 2001, and further action on the basis of inquiry report should be initiated forthwith. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on February 28, 2001 and May 24, 2001.

The Department explained that the inquiry Committee had submitted its findings on October 24, 2001, and some more time would be required to complete the formalities before taking final action. The para was kept pending with the direction that the Department may complete action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that inquiry had been completed under the Punjab Removal from Service (Special Powers) Ordinance, 2000. The authority had remanded the case to the Inquiry Officer with the direction to include the missing names of officers/officials in the list of accused and also ascertain whether the items had been actually executed at site or not.

The Department was directed to complete the inquiry/action expeditiously. **The para was kept pending.**

18. Para III-F-1: Page 316; Infructuous Expenditure Rs.394,779/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: Audit pointed out that despite the directions of the PAC dated March 1, 2001, the Department had not provided the relevant record to Audit for verification. The Department pointed out that it was not satisfied with the record and a preliminary inquiry had been ordered to establish facts and responsibilities in this case. The Committee directed that the inquiry should be completed by June 7, 2001, and further action on the basis of the inquiry report should be initiated forthwith. A report should be obtained from WASA whether the Tube-well was actually in operation. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Committee observed that the Department had made contradictory statements in its reply. The Committee inquired as to what action had been taken against the Engineer In charge who is stated to have personally visited and verified the operation of the scheme even though the WASA authorities had later intimated that the scheme was not taken over by them.

The Department further explained that the SDO concerned had been dismissed and disciplinary action would also be taken against the Engineer Incharge for making a wrong statement.

The Committee directed the Department to submit its detailed report in the next meeting after visiting the site.

The para was kept pending with the following directions-

- (i) action be taken against the Engineer Incharge for making a wrong statement;
- (ii) total cost incurred on the scheme be intimated to the Committee.
- (iii) action proposed to be taken against those responsible for the infructuous expenditure; and
- (iv) action to be taken to salvage the scheme.

26-1-2002: The para was considered in the light of the direction of the PAC dated October 30, 2001. The Department explained that the report of the Inquiry Committee had been received. The Engineer Incharge who made the statement regarding operation of the tubewell had retired from service two years ago. The Department explained that an amount of Rs. 7.35 lac was spent on the project through first running bill and the SDO Incharge who allowed the payment was still in service in Pak PWD. The Department expressed its regrets over making incorrect statement in the previous Working Paper that the Engineer Incharge had been dismissed from service. The Department explained that WASA Authorities had been requested to inspect the incomplete scheme and take it over for completion and subsequent operation in public interest. The Department stated that action would be taken against the two accused XEN and SDO for wasteful expenditure and its recovery.

The Department was directed to complete the appropriate action expeditiously. **The para was kept pending.**

19. Para III-G-1: Page 316; Non-Utilization of Dismantled Material Rs.381,795/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: Audit pointed out that despite the directions of the PAC dated March 1, 2001, the Department had failed to produce the relevant record for verification. It appeared that proper record had not been maintained about the recovery and utilization of the dismantled material. The Committee directed that disciplinary action should be taken against the persons responsible for not preparing the relevant record at the proper time. Strict notice should be taken of the misstatement in the Departmental reply in the Working Paper to the effect that the record had been produced to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

20. Para III-H-1: Page 317; Payment Without Provision Rs.217,917/-

1-3-2001: The Department was directed to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: Audit had pointed out that certain items had been paid which were not provided in the Rough Cost Estimate, Tender, Bill of Quantities and Comparative Statement.

In the Working Paper for the previous meeting held on March 1, 2001, the Department had explained that only one tender was received for this Project and the rates being within permissible limits were accepted. The Committee observed that the production of any record for audit verification was not necessary at this stage, and directed that the Department should initiate disciplinary action against the persons responsible for irregularities pointed out by Audit in this case. The para was kept pending.

30-10-2001: The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

21. Para IV-A-4: Page 320; Fictitious Record Entries Rs.79,125/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: The Department explained that there were large scale variations in the scope of work, which required revised Administrative Approval which had not been obtained so far. In view of this proper Departmental action had to be initiated.

The Committee directed that disciplinary action under the law/rules should be initiated against the persons at fault. The Committee further directed that the charge-sheets should be shown to Audit before issue. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Department explained that an Inquiry Committee had been constituted on October 18, 2001 and further proceedings were in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

22. Para IV-A-5: Page 321; Fictitious Record Entries Rs.1,250,345/-

27-2-2001: The Department explained that as per technically sanctioned estimates 3500 rft metalled road and 38750 rft earth road including 33 culverts were built. Moreover, certain

portion of the road was later on metalled by the Highway Department.

Audit remarked that the Department should obtain revised Administrative Approval. Moreover, the work done by the Highway Department also needed verification to see that no duplicate payments had been made for the same work by the two Departments. The para was accordingly kept pending.

24-5-2001: The Committee observed that the Department had failed to take action on the direction of the Committee given on February 27, 2001. The Committee again directed the Department to take action as per previous directions of the PAC without delay. The Committee would like to know why the Department had failed to initiate action on the previous directive. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on February 27, 2001 and May 24, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been finalized on January 24, 2002. The competent authority had dropped the proceedings because available correspondence in the file indicated that revised administrative approval had been obtained but actual order of revised administrative approval was missing from the record which was very old.

The Department was directed to produce the relevant record and order of the competent authority to Audit. **The para was kept pending.**

23. Para IV-B-1: Page 322; Fictitious Withdrawals Rs.9,986,820/-

1-3-2001: The Department was directed to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: The Department stated that certain amounts were drawn from PLA and kept in private accounts and then paid to the contractors and as such Government instructions regarding operation of PLA had not been followed. The Committee directed that disciplinary action for misconduct should be taken under the law/rules against all the persons concerned.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance

of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

24. Para IV-B-2: Page 323; Fictitious Withdrawals Rs.4,640,000/-

1-3-2001: The Committee directed the Department that the requisite record should be produced to Audit for verification. The para was kept pending.

24-5-2001: The Department stated that certain amounts were drawn from PLA and kept in private accounts and then paid to the contractors and as such Government instructions regarding operation of PLA had not been followed. The Committee directed that disciplinary action for misconduct should be taken under the law/rules against all the persons concerned.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Department explained that the Inquiry Committee had submitted its findings on 24 October, 2001, and action will be finalized within the stipulated period under the law. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been finalized on January 23, 2002. The accused already implicated in the case had been exonerated on the recommendation of the Inquiry Committee. Show Cause Notice would be issued to the concerned Assistant Director, LG&RD under the Pension Rules.

The Department was directed to complete the necessary action/recovery expeditiously. **The para was kept pending.**

25. Para IV-B-3: Page 323; Fictitious of Withdrawals Rs.6,700,000/-

28-2-2001: The Department replied that an amount of Rs.5,400,000 drawn in lumpsum from the PLA had been deposited in the said account and the remaining amount of Rs.1,300,000 would be got verified from Audit.

The Committee took serious notice of the violations of the procedure regarding PLA and directed that the remaining amount may be got verified by Audit within three months.

The Committee further directed that the District Account Officer who allowed lump sum payment from the PLA in violation of rules/instructions, should be directed to explain his conduct. The para was kept pending.

24-5-2001: The Department stated that certain amounts were drawn from PLA and kept in private accounts and then paid to the contractors and as such Government instructions regarding operation of PLA had not been followed. The Committee directed that disciplinary action for misconduct should be taken under the law/rules against all the persons concerned. The para was kept pending.

30-10-2001: The para was considered with reference to minutes of the Committee's meetings held on February 28, 2001 and May 24, 2001.

The Department explained that action against the persons at fault under the Punjab

Removal from Service (Special Powers) Ordinance 2000 was in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been finalized on January 23, 2002. Recovery of total amount had been imposed on the accused Assistant Engineer (dismissed) to be recovered as arrears of Land Revenue. The accused Assistant Director, LG&RD (Retired) had been exonerated.

The Committee directed the department to submit a detailed report (with Audit comments) about this case and the circumstances under which the Assistant Engineer had been held responsible and the Assistant Director LG&RD had been exonerated. **The para was kept pending.**

26. Para IV-B-4: Page 324; Fictitious Withdrawals Rs.57,870,583/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: The Department stated that certain amounts were drawn from PLA and kept in private accounts and then paid to the contractors and as such Government instructions regarding operation of PLA had not been followed. The Committee directed that disciplinary action for misconduct should be taken under the law/rules against all the persons concerned. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Department explained that the disciplinary action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

27. Para IV-C-1: Page 325; Wasteful Expenditure Rs.194,862/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: The Department had explained in the previous meeting held on March 1, 2001 that change in the priority of streets made by the MPA resulted in changes in nature and scope of work. The Department had been directed to produce the record to Audit, but Audit reported that the record produced was incomplete. The Committee directed the Department to hold

inquiry into the para, establish full facts, fix responsibility and take disciplinary action under the law/rules against the persons at fault. It should, *inter alia*, be checked up whether the requisite funds for completing the work were actually asked for in the following year. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meetings held on March 1, 2001 and May 24, 2001.

The Department explained that action against the persons at fault under the Punjab Removal From Service (Special Powers) Ordinance 2000 was in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

28. Para IV-D-1: Page 327; Doubtful Payments Rs.225,133/-

1-3-2001: Audit reported that the scope of work had been changed unauthorisedly during execution, hence, regularization of the authority who accorded the administrative approval was needed.

The Committee directed the Department to take necessary action in the matter. The para was kept pending.

24-5-2001: The Department stated an inquiry had been ordered into this para on May 14, 2001.

The Committee directed the Department to complete the inquiries by June 7, 2001 and take disciplinary action under the law/rules against the persons at fault. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

29. Para IV-E-1: Page 329; Payment without Provisions Rs.1,227,262/-

28-2-2001: The Department sought time from the Committee to get the record verified by Audit. The Committee agreed and the para was kept pending.

24-5-2001: The Department explained that it was not satisfied with the record and a preliminary probe had been ordered on May 14, 2001 with the direction to submit its report within a fortnight. Audit explained that on verification of record the amount of the para had been reduced to Rs.1,188,371/-. The Committee directed that the inquiry should be completed by June 7, 2001, and further action under the law/rules be initiated forthwith. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meetings held on February 28, 2001 and May 24, 2001.

The Department explained that action against the persons at fault was being taken under the Punjab Removal from Service (Special Powers) Ordinance 2000. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

30. Para IV-E-3: Page 330; Payments without Provisions Rs.482,088/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

24-5-2001: The Department explained that an inquiry had been ordered to establish the facts and fix responsibility. The Committee directed that inquiry should be completed by June 7, 2001, and further action under the law/rules should be initiated forthwith.

The Committee further directed that disciplinary action should be taken against the persons responsible for furnishing wrong information to the Committee in the last meeting held on March 1, 2001 to the effect that the Administrative Approval for the scheme had been accorded by the Federal Government. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Department explained that the findings of the Inquiry Committee had been received and were being examined. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been finalized on January 23, 2002. The case against the concerned Assistant Director, LG & RD had been dropped as the accused had retired.

Although serious breach of rules had been committed but the scheme had actually been executed on the request of the concerned sponsor and reference was made to the competent authority for administrative approval. The case regarding concerned SDO had been kept pending because the accused had already been dismissed from service and he had filed an appeal. The case regarding Resident Assistant Director, Local Fund Audit was being sent to Secretary Finance for disciplinary action.

The Department was directed to complete the necessary action expeditiously including obtaining of the requisite technical sanction and administrative approval of the scheme. **The para was kept pending.**

31. Para IV-F-1: Page 330; Payment without Approval of Non-schedule Rates Rs.7,027,897/-

1-3-2001: The Department explained that the approval of non schedule items was granted by the XEN/SE but due to rush of work, the copies of sanction could not be sent to the Secretary Standing Rates Committee. Audit pointed out that sanction of non schedule rate had been granted by the XEN who was not competent to do so. Moreover, non-schedule items were not included in the agreement. The matter needed regularization by the competent authority.

The Committee directed the Department to complete the necessary action within 3 months. The para was kept pending.

24-5-2001: The Department explained that, as per directions of the PAC dated March 1, 2001, the matter of regularization had been referred to the Superintending Engineer on May 16, 2001. The Committee directed that an inquiry should be held into the para, and disciplinary action be taken against the persons at fault as warranted by the law/rules. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on March 1, 2001 and May 24, 2001.

The Department explained that action against the persons at fault was being taken under the Punjab Removal from Service (Special Powers) Ordinance 2000. The para was kept pending with the direction that the Department may effect recovery and take disciplinary action against the defaulters expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

32. Para IV-F-2: Page 331; Payment without Approval of Non-schedule Rates Rs.68,300/-

1-3-2001: The Committee directed the Department to produce the relevant record to Audit

for verification. The para was kept pending.

24-5-2001: Audit pointed out that as per directions of the PAC dated March 1, 2001, the Department had failed to produce the record for Audit verification. It appeared that Superintending Engineer: sanction/approval was not available for the non-schedule items in this case. The Committee directed the Department to hold inquiry into para and take disciplinary action against the persons at fault. The para was kept pending.

30-10-2001: The para was considered with reference to minutes of the Committee's meetings held on February 28, 2001 and May 24, 2001.

The para was kept pending with the direction that the Department may initiate disciplinary action for recovery of the amount and produce relevant record to Audit for verification.

26-1-2002: The Department explained that in compliance with the PAC directive dated October 30, 2001, the competent authority had ordered disciplinary action against the persons responsible under the Punjab Removal from Service (Special Powers) Ordinance, 2000 and had constituted an Inquiry Committee headed by the Superintending Engineer, LG&RD Punjab.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

33. Para IV-F-3: Page 331; Payment Without Approval of Non-schedule Rates-Rs.580,140/-

27-2-2001: Audit had pointed out that residences for low-paid police officials had been constructed without Administrative Approval and allocations of funds and non-scheduled items like false ceiling, marble flooring and aluminum windows had been paid for without approval.

The Committee directed that the Department should probe into the matter to check the facts and also to see whether the low-paid employees were entitled to such luxurious accommodation. The para was kept pending.

24-5-2001: The Department explained that as per direction of the PAC dated February 27, 2001, preliminary inquiry was held through XEN Sargodha. As per findings of the inquiry report, the scheme was titled "Residences for Low-Paid Police Servants", but the work was actually done at the residence of Superintendent of Police, Sargodha and all items of work were included in the Technically Sanctioned Estimates. It was observed by checking of record that there was no Administrative Approval of the scheme, except an anticipatory approval of Rs.5.00 lac. Moreover, a further amount of Rs.2.00 lac was also approved by Director, Local Government & Rural Development Department.

The Committee directed that disciplinary action should be taken against all the persons involved in the case and charge-sheet should include all the points. The para was kept pending.

While considering Audit Para IV-F-3 of Audit Report for the year 1996-97 relating to Local Government & Rural Development Department, the Committee noted with great concern that by circumventing the Government instructions, the funds of *Tameer-e-Wattan Programme* had been utilized on the construction of an annexe in the official residence of

Superintendent of Police, Sargodha. It appeared to be a clear case of misconduct on the part of the officials concerned and called for strict disciplinary action.

30-10-2001: The para was considered with reference to the minutes of the Committee's meetings held on February 27, 2001 and May 24, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

34. Para IV-H-1: Page 332; Payment at Higher Rates Rs.270,000/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meeting held on March 1, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

35. Para IV-I-1: Page 333; Payment without Vouched Accounts Rs.55,844,571/-

28-2-2001: The Department sought time from the Committee to get the record verified by Audit. The Committee agreed and the para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on February 28, 2001.

Audit pointed out that the Department had violated the rules by transferring the funds from PLA to the Bank of Punjab.

The Committee observed that the Department had shifted the funds from the PLA to the Bank before 30th of June to avoid their lapse, which was a clear violation of the Constitution.

The Finance Department maintained that the funds of the autonomous bodies were not

lapseable. The Finance Department was directed to prepare a detailed paper for the Committee on this issue.

The Committee directed Audit to examine whether or not the funds had been returned to the PLA, and had been duly vouched. The para was kept pending.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that relevant record relating to the balance amount of Rs. 7,860,115/- was produced to Audit. Audit comments were received during the meeting which would be examined and attended to by the Department. **The para was kept pending** for necessary action.

36. Para V-I: Page 334; Misappropriation of Material Rs.2,944,579/-

1-3-2001: The Department was directed to produce the requisite record to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process. The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

37. Para V-2: Page 335; Misappropriation of Material Rs.2,235,618/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

38. Para V-3: Page 335; Misappropriation of Material Rs.1,735,935/-

1-3-2001: The Department was directed to produce the requisite record to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001.

Audit pointed out that the amount of para had been reduced to Rs. 1,303,819/- after verification of record.

The Department explained that the available record had been produced to Audit for verification and action would be taken against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that action had been initiated under the Punjab Removal from Service (Special Powers) Ordinance, 2000 and an Inquiry Committee headed by the Superintendent Engineering, LG&RD Punjab had been appointed.

The Department was directed to complete the inquiry/necessary action expeditiously.

The para was kept pending.

39. Para V-4: Page 336; Misappropriation of Material Rs.570,758/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meeting held on March 1, 2001.

The Department explained that action against the persons at fault had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the persons at fault. However, the head of the Inquiry Committee had proceeded abroad for performance of UMRA and the inquiry report was still awaited.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

40. Para V-5: Page 336; Misappropriation of Material Rs.519,287/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meeting held on March 1, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of the directive dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 had been finalized on January 23, 2002. All the accused persons had been exonerated because the material supplied was accounted for and the use of development contingency was approved by the competent authority.

The Department was directed to produce copies of the Inquiry Report and orders of the Competent Authority to Audit. **The para was kept pending.**

41. Para V-6: Page 337; Misappropriation of Material Rs.410,000/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of directions of the PAC dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 had been finalized on January 23, 2002. Recovery would be effected from all the accused officers/officials after seeking clarification from the Inquiry Committee whether or not the 12 water coolers received by heads of various educational institutions were available.

The Department was directed to complete the inquiry/recovery and provide copies of the inquiry report and orders of the competent authority to Audit. **The para was kept pending.**

42. Para V-7: Page 337; Misappropriation of Material Rs.254,900/-

1-3-2001: Audit had pointed out that the formation had made payment of centrifugal pumps, electric motors and accessories for sewerage disposal unit, but the machinery was not put to use.

The Department explained that the Project had neither been commissioned nor handed over to any agency, because the electricity connection had not been obtained due to non availability of funds.

The Committee directed the Department to hold an inquiry into the wasteful expenditure for fixing responsibility and making recovery of the loss caused to the Government. The disciplinary action/recovery must be completed within three months. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001.

The Department explained that action against the persons at fault was underway.

The para was kept pending with the direction that action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 may be completed expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 had been finalized on January 24, 2002. The competent authority had withdrawn the show cause notice and ordered inquiry under the Punjab Removal from Service (Special Powers) Ordinance 2000-2001 for which an Enquiry Committee had been constituted.

The Department was directed to complete the inquiry/action expeditiously. **The para was kept pending.**

43. Para VI-A-1: Page 340; Misutilization of Funds Rs.19,649,308/-.

1-3-2001: The Department was directed to produce the requisite record to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001.

Audit pointed out that the Department had not produced any record. Audit was of the view that the Department had violated the instructions of the Finance Department by shifting the funds from the PLA to the bank account.

The Department explained that the available record was not complete and disciplinary action against the persons at fault was in process.

The para was kept pending with the direction that the Department may produce the record to Audit and complete the necessary action against the defaulters expeditiously.

26-1-2002: The para was considered in the light of direction of the PAC dated October 30, 2001. The Department explained that the competent authority had ordered disciplinary action against the officer responsible for violating the instructions of the Finance Department regarding opening of PLA. However, attested record had also been produced to Audit for verification of vouched accounts.

The Department was directed to complete the necessary action expeditiously. **The para was kept pending.**

44. Para VI-A-2: Page 340; Misutilization of Funds Rs.1,976,000/-

1-3-2001: The Committee observed that this para was identical to para VI-A-4 and decided that its observations/directives given in respect of para VI-A-4 would also apply to this para. The para was kept pending.

(See Sr. No. 34 of the minutes dated February 28, 2001)

30-10-2001: The para was considered with reference to the minutes of the Committee's meeting held on March 1, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of direction of the PAC dated October 30,

2001. The Department explained that an inquiry had been ordered into the matter of release of share of development contingencies to the provincial and divisional offices of the LG&RD Department by the field formations and its utilization for miscellaneous purposes. The Department would take further action on receipt of the inquiry report.

The Department was directed to complete the inquiry/action expeditiously. **The para was kept pending.**

45. Para VI-A-3 Page 341 Misutilization of Funds Rs.100,000/-

1-3-2001: Audit had pointed out that amount of Rs.1.00 lac, meant for execution of a scheme was transferred to Executive Engineer Pak PWD without any approval from the Finance Department. The Department explained that the funds had been transferred on the request of the sponsor of the scheme.

The Committee directed the Department that an inquiry should be held for fixing responsibility for the said financial irregularity and taking disciplinary action against the officer responsible for the same. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on March 1, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in process.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of direction of the PAC dated October 30, 2001. The Department explained that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 had been finalized on January 24, 2002. The accused officer nominated in the case had been exonerated. Disciplinary action through show cause notice would be taken against the actual accused officer.

The Department was directed to complete inquiry/action expeditiously. **The para was kept pending.**

46. Para VI-A-4 Page 341 Misutilization of Funds Rs.3,877,592/-

28-2-2001: The consideration of this para was taken up on 28 February and was continued on the following day.

The Department explained that in pursuance of circular letter dated November 26, 1991, funds to the tune of Rs.3,877,592/- from January 1989 to June 1996 were transferred to Director General Local Government & Rural Development Department, Lahore.

Audit pointed out that the amount of contingencies could not be diverted by the Department through its own circulars. Therefore, it was not a valid charge.

The Committee directed that the Department should produce the vouched account of the expenditure by the Director General, Local Government & Rural Development Department to Audit for verification.

During discussions on the paras on March 1, 2001, the Director General, Local Government & Rural development informed the Committee that the amounts of 3% to 5% contingencies provided in the development schemes, which were transferred by Assistant

Directors of Local Government to the Director General, Local Government & Rural Development were previously deposited in some Commercial Bank Account. The principal amounts alongwith the mark-up, totalling about Rs.3.00 crore had since been deposited in the Government Treasury.

The Committee directed that the Administrative Department should submit a report to the Committee, about the details of amounts transferred to the Director General, Local Government & Rural Development by Assistant Director, Local Government, on this account, the details of expenditure incurred from this fund, and complete Bank Statement of this account, within one month. The Committee would examine the said report and give its observation/recommendations after considering the report. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meeting held on February 28, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000, was in process.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously.

26-1-2002: The para was considered in the light of direction of the PAC dated October 30, 2001. The Department explained that an inquiry had been ordered into the matter of release of share of development contingencies to the provincial and divisional offices of the LG&RD Department by the field formations and its utilization for miscellaneous purposes. The Department would take further action on receipt of the inquiry report.

The Department was directed to complete the inquiry/action expeditiously. **The para was kept pending.**

47. Para VI-A-5: Page 342; Mis-Utilization of Funds Rs.2,791,125/-

28-2-2001: The Committee observed that this para was identical to Para VI-A-4 and decided that its observations/directives given in respect of Para VI-A-4 would also apply to this Para. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the meeting held on February 28, 2001.

The Department explained that action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000, was in process.

The para was kept pending with the direction that the Department may complete the necessary action expeditiously

26-1-2002: The para was considered in the light of direction of the PAC dated October 30, 2001. The Department explained that an inquiry had been ordered into the matter of release of share of development contingencies to the provincial and divisional offices of the LG&RD Department by the field formations and its utilization for miscellaneous purposes. The Department would take further action on the receipt of the inquiry report.

The Department was directed to complete the inquiry/action expeditiously. **The para was kept pending.**

48. Para VI-B-1: Page 343; Misutilization of Revenue/Receipt Rs.2,625,463/-

1-3-2001: The Committee directed that all the requisite record should be produced to Audit for verification, by March 30, 2001. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meeting held on March 1, 2001.

The para was kept pending with the direction that the Department may take action against the persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000 and complete it expeditiously.

26-1-2002: The para was considered in the light of the directive of the PAC dated October 30, 2001. The Department explained that an inquiry had been ordered under the Punjab Removal from Service (Special Powers) Ordinance 2000 through an Inquiry Committee headed by the Deputy Director (T&E).

The Department was directed to complete the inquiry/action expeditiously. **The para was kept pending.**

49. Para VI-C-1: Page 344; Unauthorised Transfer of Funds - Rs.45,455,000/-

1-3-2001: The Committee directed the Department to produce the requisite record to Audit for verification. The para was kept pending.

30-10-2001: The para was considered with reference to the minutes of the Committee's meeting held on March 1, 2001.

Audit pointed out that a sum of Rs.1.7 million was still outstanding.

The Department explained that the record of the LMC was missing.

The para was kept pending for verification of the remaining amount by Audit.

26-1-2002: The para was considered in the light of the direction of the PAC dated October 30, 2001. As per latest Audit comments the Department was directed to produce the administrative approval and record relating to transfer of funds to executing agencies for verification. **The para was kept pending.**

Dera Ghazi Khan Development Authority

1. Para II-1(162): Page 348; Losses to Government-Rs.3,855,083/-

1-3-2001: Audit had pointed out that the D. G. Khan Development Authority had accepted tenders above technically sanctioned estimates beyond permissible limit of 4.5%.

The Department explained that the case had been referred to the Finance Department to seek advice for regularization. The Department further stated that the case was also being investigated by the Regional Accountability Bureau.

The Committee directed the Department that the matter should be enquired into and the detailed report containing the actual position should be submitted to the Committee. The para was kept pending.

21-5-2001: The Department stated that the Finance Department, vide its letter dated March 21, 2001, had refused to regularize the irregularity of accepting tender beyond the permissible limit of 4.5%. In view of this the recovery was inevitable, but since Audit para involved a number of schemes a detailed inquiry was necessary to fix the responsibility. The inquiry however could not be finalized as the record had been taken over by Regional Accountability

Bureau.

The Department was directed to finalize the inquiry expeditiously, fix responsibility and take action against officials at fault as warranted by law. The para was kept pending.

3-10-2001: The Department explained that as a result of Departmental inquiry, the irregularities pointed out by Audit had been established, action against the defaulting persons under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was in process, and those who had retired would be proceeded against under the Pension Rules.

The para was kept pending for recovery and disciplinary action and for provision of detailed facts and figures in the Working Paper for the next meeting.

29-10-2001: The Department explained that the record pertaining to this para was with RAB, therefore, action would be taken as soon as the record is received back.

The para was kept pending with the direction that the Department may take up the matter with RAB for retrieval of the record.

26-1-2002: With reference to the direction of the Committee dated October 29, 2001, the Department explained that proceedings under the Punjab Removal from Service (Special Powers) Ordinance 2000 had been initiated against the concerned Assistant Directors (Eng.) but the proceedings could not be started as the record was in the custody of RAB.

The Department was directed to complete the appropriate actions expeditiously. **The para was kept pending.**

(Revenue Receipts Audit)

NOTE: The following paras were originally printed against Excise & Taxation Department in the Audit Report for the year 1996-97 Volume-III. However, Excise & Taxation Department explained to the Committee that certain Excise & Taxation Zones of Lahore were transferred to the Metropolitan Corporation Lahore along with record and liabilities.

The Committee therefore directed that these paras should stand transferred to Local Government & Rural Development Department.

4.1(a) Due to Non-recovery of Arrears- Aggregate Amount Rs.13,198,201/-

(1) Para 4275 E.T.O., Zone VII, Lahore Rs.24,781/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The Department explained that total recovery had been effected but the record was yet to be verified.

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

2-10-2001: The previous decision dated August 20, 2001 was reiterated and the para was kept pending.

10-1-2002: The Department pointed out that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept**

pending.

(2) Para 4276 E.T.O., Zone-VII, Lahore Amounting to Rs.20,261/-

17-2-2001: Audit reported that no recovery had since been made. The para was kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The Department explained that partial recovery had been effected. The relevant record was with the MCL. As soon as the record would be received, the remaining recovery would be realized. The para was kept pending.

2-10-2001: There was no further progress in the recovery. The para was kept pending.

10-1-2002: The Department pointed out that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

(3) Para 4227 E.T.O., Lahore Zone-VIII, Rs.1,424,421/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that recovery of Rs.243,983/- had been verified by Audit, leaving behind a balance of Rs.1,180,438/-. The para was kept pending.

20-8-2001: The Department explained that the Metropolitan Corporation, Lahore has reported that amount had been recovered. The para was kept pending, for verification of record by Audit. The Department stated that the record of Property Tax relating to two zones of Lahore was with the Metropolitan Corporation Lahore as the subject had been transferred to the MCL along with liability by an amendment in the relevant law. The Committee directed that the matter should be considered by a Committee comprising Secretary Assembly, Secretary, Excise & Taxation, Director General, Revenue Receipts Audit and Finance Department and report be submitted to the PAC.

2-10-2001: The previous decision dated August 20, 2001 was reiterated and the para was kept pending.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

(4) Para 4241 E.T.O., Lahore Zone-IV, Rs.432,178/-

17-2-2001: Audit reported partial recovery of Rs.300,908/- had since been made leaving a balance of Rs.131,270/-. The amount of the para was accordingly reduced and the para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.131,270/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The Department explained that the recovery related to LDA and had been

stayed by the Court. The para was kept pending.

2-10-2001: The previous decision dated August 20, 2001 was reiterated. The para was kept pending.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

(5) Para 4286 E.T.O., Lahore Zone-VIII, Rs.85,227/-

17-2-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had since been made by the Department. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The previous decision dated August 20, 2001 was re-iterated and the para was kept pending.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

4.1(h) Due to Omission in Carrying Forward of Annual Value of Taxable Property Units Aggregate Amount Rs.197,295/-

(6) Para 4631 E.T.O., Lahore Zone-VII, Rs.11,266/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The Committee reiterated its earlier directive. The para was kept pending for recovery.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

(7) Para 4634 E.T.O., Lahore Zone-VIII, Rs.84,671/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.53,621/- and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The Committee reiterated its earlier directive. The para was kept pending for

recovery.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

4.2(a) Short Realization of Property Tax: Aggregate Amount Rs.902,480/- Due to Non-consolidation of Property Units Owned by the Same Person Rs.402,998/-

(8) Para 4630 E.T.O., Lahore Zone-VII, Rs.19,901/-

17-2-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

14-6-2001: Audit reported that no reply had been furnished by the Department. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The Committee reiterated its earlier directive. The para was kept pending for recovery.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

(9) Para 4633 E.T.O., Lahore Zone-VIII, Rs.75,824/-

17-2-2001: Audit reported that an amount of Rs.837/50 had been recovered leaving a balance of Rs.74,986/50. The para was kept pending.

14-6-2001: Audit reported that the outstanding balance upto the previous meeting was Rs.74,986/50 and no progress had been shown by the Department since then. The para was kept pending.

20-8-2001: The para was kept pending for recovery.

2-10-2001: The Committee reiterated its earlier directive. The para was kept pending for recovery.

10-1-2002: The Department explained that as per directive of the PAC, the para had been transferred to Local Government & Rural Development Department. **The para was kept pending.**

PLANNING AND DEVELOPMENT DEPARTMENT

Overview

Total Paras	Civil	Works	Commercial	Receipts
9	2	7	--	--

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 2	Paras finally settled as the requisite action had been taken.	Civil:		
		Commercial:		
		Works: II-A-2 & II-B-1	2	597
Paras Conditionally Settled 4	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil:		
		Commercial:		
		Works: I-1, II-A-1, II-D-1 and II-E-1	4	598-599
Paras Pended 3	Paras pended as the Department had not taken satisfactory action.	Civil: 22.1 and 22.2	2	600-601
		Commercial:		
	Works: II-C-1	1	601	
	Paras pended as the Department did not submit the working papers.	Civil:		
Commercial:				
Works:				

Discussed on 2 March, 12 July, 30 August and 22 October 2001

Paras Finally Settled

(Works Audit)

1. Para II-A-2: Page 353; Misappropriation of Government Revenue - Rs.97,550/-

12-7-2001: Audit pointed out that the above-mentioned Audit Para involved tampering of record and the matter needed to be investigated properly.

The Committee directed that the Department should hold an inquiry at a higher level by some officer of the Planning & Development Department to determine the factual position, fix responsibility for irregularities and take action against the persons involved, including criminal proceedings, if necessary. The para was kept pending.

22-10-2001: As the amount had been recovered and verified by Audit, the Committee **settled the para.**

2. Para II-B-1: Page 353; Tampering of Government Record - Rs.1,933,592/-

12-7-2001: Audit pointed out that the above-mentioned Audit Para involved tampering of record and the matter needed to be investigated properly.

The Committee directed that the Department should hold an inquiry at a higher level by some officer of the Planning & Development Department to determine the factual position, fix responsibility for irregularities and take action against the persons involved, including criminal proceedings, if necessary. The para was kept pending.

22-10-2001: The para was considered with reference to the directive of the PAC dated 12 July 2001. The Department explained that the amount of Rs.888,256/- found due, had been recovered, and the same had been verified by Audit. **The para was settled.**

Paras Conditionally Settled

(Works Audit)

1. Para I-1: Page 351; Non-Recovery of Government Dues-Rs.907,125/-

12-7-2001: Audit reported that the Cholistan Development Authority (CDA) made less recovery of Rs.907,125 in March 1995 from the allottees by incorrect calculation of units per acre.

The Department explained that in some cases partial recovery had been made and the balance recovery was being pursued. Moreover, in some cases the matter had been referred to the Board of Revenue for reconciliation of the PR/Conveyance Deeds.

The Department was directed to produce original record (not photo copies) to Audit for verification of the latest position in each case. The para was kept pending.

22-10-2001: The para was considered with reference to the PAC directive dated 12 July 2001. The Department explained that the amount of Rs.1,707,779/- recovered from 12 allottees had been verified by Audit. The other 16 cases had been referred to Board of Revenue Punjab for

cancellation of PR/Conveyance Deeds. The decision was awaited. In the circumstances, **the Committee settled the para**, and directed the Department to review and effect recovery of the balance amount within 3 months. Finance Department shall monitor the same.

2. Para No.II-A-1: Page 352; Misappropriation of Government Revenue - Rs.835,814/-

12-7-2001: Audit pointed out that the above-mentioned Audit Para involved tampering of record and the matter needed to be investigated properly.

The Committee directed that the Department should hold an inquiry at a higher level by some officer of the Planning & Development Department to determine the factual position, fix responsibility for irregularities and take action against the persons involved, including criminal proceedings, if necessary. The para was kept pending.

22-10-2001: The para was considered with reference to the PAC directive dated 12 July 2001. The Department explained that the recovery had been effected and verified by Audit. The case had also been referred to the Anti-corruption Establishment. **The para was settled**, and the Department was directed to pursue the case and apprise the Committee of the decision.

3. Para II-D-1: Page 354; Bogus Allotment of Land- Rs.144,575/-

12-7-2001: The Department explained that an amount of Rs.68,000/- had been recovered, but Audit pointed out that the recoverable amount was Rs.144,575/-. The Department further explained that, later on, it was found that the allottee was not eligible for allotment and the matter for cancellation of PR (proprietary rights) had been referred to Board of Revenue.

The Committee directed the Department to explain whether the recovery of Rs.68,000/- was on account of cost of land or lease money and why recovery had been discontinued. Moreover, the reference to Board of Revenue should be pursued. The para was kept pending.

22-10-2001: The Department explained that the recovery of Rs.68,000/- had been verified by Audit, and the balance would be recovered as soon as the matter was decided by the Board of Revenue. **The para was settled;** however, the Committee directed the Department to pursue the reference made to Board of Revenue, to effect balance recovery and show it to Audit, and inform the Committee accordingly.

4. Para II-E.1: Page 355; Theft of Cash and Computer - Rs.68,047/-

12-7-2001: Audit reported that cash amounting to Rs.28,047 and a Computer worth Rs.40,000/- were stolen by un-known persons.

The Committee was not satisfied with the explanation given by the Department and directed that action should be taken against the persons who were custodians of the cash and the computer. The Committee further directed that the Department should also explain why the supervisory officers had not taken necessary action in the matter since 1996. The para was kept pending.

22-10-2001: The Department explained that no theft of cash was involved. The accountant who had not obtained signatures of the employees on the acquittance roll, had been warned. The Committee was not satisfied with the action taken by the Department. However, **the para was settled** and the Department was directed to consider the possibility of reviewing the case, and to effect recovery of the price of the computer from the person held responsible.

Paras Pended

(Civil Audit)

1. Para 22.1 Page 323; Excess Consumption of POL Than Ceiling Fixed by Government-Recovery of Rs.645,793/-

2-3-2001: The Department explained that except the staff cars of the Chairman, Planning & Development Board and the Secretary, Planning & Development Department, all other vehicles belonged to the common pool of the Department and had not been allocated to the officers. Therefore, the ceiling of P.O.L. prescribed by the Government did not apply to the said vehicles. The Department was directed to produce complete original record including log books and tour programmes of the officers to the Audit for verification. The para was kept pending.

12-7-2001: The Department explained that as per direction of the Committee dated 2.3.2001 an inquiry had been ordered into the matter for ascertaining the responsibility for the misuse, vehicles involved, drawing & disbursing officers and their lapses. The para was kept pending.

30-8-2001: The Department explained that inquiry into the Para had been completed and the officers who used the vehicles and the DDOs who incurred the expenditure on P.O.L. had been identified. The vehicle Nos. and names of their drivers had also been identified, and the Department was making efforts to make the recovery.

The Committee directed the Department to effect the recovery and get the relevant record verified by Audit. The para was kept pending.

22-10-2001: The para was considered with reference to the PAC directive dated 30 August 2001. The Department explained that notices had been issued for the recovery of Rs.162,806/-. Audit, however, maintained that recoverable amount was Rs.645,793/-. The Committee directed the Department to settle the recoverable amount with Audit and effect recovery at the earliest. **The para was kept pending.**

2. Para 22.2 Page 323; Irregular Drawal of POL Costing Rs.215,835/-

2-3-2001: Audit had pointed out that the Department had drawn P.O.L. for the vehicles which did not belong to the Department. The Department explained that the Department had taken some vehicles from its subordinate organizations like ABAD, PTI, Development of Katchi Abadies, PARB, BOS etc, for official use in connection with supervision of development activities in the Province and visiting delegations of IMF, World Bank, Asian Development Bank and other Donor Agencies and had purchased P.O.L. for the said vehicles. The Department was directed to produce complete original record including log books and tour programmes of the officers to the Audit for verification. The para was kept pending.

12-7-2001: The Department explained that as per directive of the Committee dated 2.3.2001, an inquiry had been ordered into the matter for ascertaining the actual misuse of POL by the officers who were using the vehicles not on the pool of the P&D Department. The para was kept pending.

30-8-2001: The Department explained that despite best efforts, the record, log books and files had not been traced out and most of the officers concerned had either retired from service or been posted out. The Department further stated that efforts were being made to trace out the record.

The Committee directed that the Department should explain as to how did the Planning & Development Department get hold of the vehicles which did not belong to that Department. The Committee also directed that the Department should hold a formal inquiry to identify the vehicle Nos. the name of the drivers and the officers who used them and the names of the DDOs who incurred expenditure on them and should recover the amount of illegal expenditure from those held responsible for the same. The para was kept pending.

22-10-2001: With reference to the directive of PAC dated 30 August 2001, the Committee directed the Department to provide a copy of the inquiry report to Audit, to settle with Audit the recoverable amount, and to effect recovery from the persons concerned. **The para was kept pending.**

(Works Audit)

3. Para II-C-1 Page 354; Acceptance of Tenders at Higher Rates - Rs.348,730/-

12-7-2001: Audit reported that the CDA, Bahawalpur accepted tenders for six works beyond the permissible limit of 4.5% over the technically sanctioned estimates.

The Department explained that there was an irregularity to the extent that the 3% contingencies of the Scheme had also been included in the cost, for the purpose of calculating excess of 4.5% over the Technical Sanction, but, as in the meantime the premium rates were revised, the expenditure remained within the permissible limit.

The Committee directed that the matter should be properly investigated, action taken for irregularity and excess payment, if any. The para was kept pending.

22-10-2001: The para was considered with reference to the PAC directive dated 12 July 2001. The Department contended that no loss had been caused to Government. The Committee noted that an irregularity was committed by incorporating 3% contingent amount while awarding works to contractors. The Department should therefore take necessary action, including the recovery of loss. **The para was kept pending.**

POPULATION WELFARE DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
43	43	--	--	--

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 21	Paras finally settled as the requisite action had been taken.	Civil: 21.1, 21.4, 21.7 (i & ii), 21.11, 21.12, 21.13, 21.16, 21.17, 21.18, 21.19, 21.25(2, 5 & 6), 21.28, 21.29, 21.31, 21.32, 21.35, 21.36 and 21.37	21	607-610
		Commercial:		
Paras Conditionally Settled 7	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the departments shall report compliance to the Public Accounts Committee every six months.	Civil: 21.3, 21.5, 21.9, 21.25(1, 3 & 4) and 21.27	7	611-613
		Commercial:		
Paras Pended 15	Paras pended as the Department had not taken satisfactory action.	Civil: 21.2, 21.6, 21.8, 21.10, 21.14, 21.15, 21.20, 21.21, 21.22, 21.23, 21.24, 21.26, 21.30, 21.33 and 21.34	15	614-619
		Commercial:		
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial:		

Discussed on 18-19 July and 24-25 September 2001

Paras Finally Settled

(Civil Audit)

1. Para 21.1: Page 297; Irregular Purchase of Typewriter, Photostat Machine for Rs.161,646/-

19-7-2001: Audit had objected to the purchase of Typewriter and Photostat Machine worth Rs.161,646/- without obtaining the sanction of the competent authority and NOC from the S & GAD.

The Department explained that ex post facto sanction to the incurrence of the expenditure had since been accorded by the Competent Authority. Audit however, pointed out that the said sanction was not properly worded to serve the purpose. The Department agreed to issue a revised ex post facto sanction.

The Committee directed the Department to issue a warning to the officer who had incurred expenditure beyond his competency.

The para was settled subject to verification by Audit of revised ex post facto sanction and issue of warning.

24-9-2001: The para was considered on 24 and 25 September, 2001. Audit had verified the ex post facto sanction of the competent authority and warning administrated by the Department to the officer who incurred expenditure beyond his competency. **The para was settled.**

2. Para 21.4: Page 299; Irregular Expenditure of Rs.30,467,525/-

18-7-2001: Audit had pointed out that as against the allocation of Rs.33,286,000/- for purchase of medicines during 1995-96, an expenditure of Rs.63,753,525/- had been made.

The Department explained that the excess amount of Rs.30,467,525/- was met from the saving of the previous year placed in non-lapsable PLA.

The Committee observed that it had already made a reference to the Finance Department about the legality of non-lapsable PLA. Moreover, there was an overall saving in Grant No.36-Development to which this expenditure related. **The para was settled.**

3-4. Para 21.7(i) and (ii): Page 302; Irregular Expenditure of Rs.71,797/- on Account of Entertainment & Jalsa Charges. (DPWO, Sahiwal and Okara)

19-7-2001: The Department explained that the expenditure was incurred during the official visit/ inspection/Departmental meetings by the Federal Minister, Federal Secretary, and Additional Secretary. **The explanation of the Department was accepted and the para was settled.**

5. Para 21.11: Page 305; Irregular Purchase of Ceiling Fans Worth Rs.96,475/-

18-7-2001: Audit had contended that ceiling fans could not be purchased from the market and indent should have been placed with the Electrical Inspector to Government of Punjab.

The Finance Department apprised the Committee that the provision referred to by Audit had since been amended. **The para was settled.**

6. Para 21.12: Page 305; Irregular Purchase of Boards for Rs.92,897/-

19-7-2001: The Department explained that ex post facto sanction had since been accorded by the Secretary.

The Committee directed that the ex post facto sanction should be revised as per requirement of Audit and appropriate action should be taken against the officer responsible for irregularity. The para was settled subject to verification by Audit.

25-9-2001: The para was considered on 24 and 25 September, 2001. The revised ex post facto sanction had been verified by Audit. **The para was settled.**

7. Para 21.13: Page 306; Unauthorized Retention of Government Revenues amounting to Rs.2,409,679/-

18-7-2001: The Department explained that the total amount of Income Tax Rs.2,409,679/- deducted from the contractors had been deposited in treasury and all deposits had been verified by the Income Tax Treasury. **The para was settled.**

8. Para 21.16: Page 308; Recovery of Rs.77,244/- on account of Irregular Enhancement Office Building

18-7-2001: Audit had pointed out that the rent of an office building was enhanced from Rs.6,500/- to Rs.14,000/- per month whereas according to Punjab Urban Rent Restriction Ordinance, it could not be increased beyond 25%.

The Department explained that the owner carried out improvements in the premises by adding two rooms and renovating the car parking area and a fresh rent deed was executed after negotiations. The Department further clarified that it was an 8-Kanal House. **The explanation of the Department was accepted and the para was settled.**

9. Para 21.17: Page 308; Recovery of Rs.65,004/- on Account of Sale of Contraceptive

19-7-2001: The Department explained that the amount of the para had been recovered and deposited in the Government Treasury. The Para was settled subject to verification of credit by Audit.

24-9-2001: The credit verification certificate had been verified by Audit. **The para was settled.**

10. Para 21.18: Page 309; Non-Production of Record for Rs.445,485/-

19-7-2001: Audit explained that complete relevant record was produced to Audit for verification and Audit had asked for further record.

The Committee directed that all the relevant record should be produced to Audit. The para was kept pending.

24-9-2001: The relevant record had been verified by Audit. **The para was settled.**

11. Para 21.19: Page 309; Non-Deposit of Sale Proceeds of Contraceptives Worth Rs.169,288/-

19-7-2001: The Department explained that amount of the para had been deposited in the Government Treasury.

Audit commented that the deposits were required to be related to the items in question as well as to the other corresponding record.

The Committee directed that all the relevant record should be produced to Audit. The para was kept pending.

24-9-2001: The deposits and other relevant record had been verified by Audit. **The para was settled.**

12. Para 21.25(2): Page 313; Loss of Rs. 51,127/- Due to Non-Deduction of Income Tax

18-7-2001: The Department explained that the recovery of Income Tax would be effected within one month.

The Committee directed the Department also to report the matter to the Income Tax Department for necessary action. The para was kept pending for recovery.

24-9-2001: The deposit/credit verification certificates had been verified by Audit. **The para was settled.**

13. Para 21.25(5): Page 313; Loss of Rs.1,075/- Due to Non-deduction of Income Tax

18-7-2001: The recovery had been verified by Audit. **The para was settled.**

14. Para 21.25(6): Page 313; Loss of Rs.1,781/- Due to Non-deduction of Income Tax

18-7-2001: The recovery had been verified by Audit. **The para was settled.**

15. Para 21.28: Page 315; Misappropriation of Government Money Amounting to Rs.392,620/-

19-7-2001: Audit reported that an amount of Rs.395,620/- was advanced for completion of certain projects but neither the projects were completed nor the amount of advance refunded.

The Department explained that the record was shown to Audit who had demanded further record.

The Committee directed that all the relevant record should be produced to Audit. The para was kept pending.

24-9-2001: Audit had verified the vouched account of the sum of Rs.349,380/- and adjustment of Rs.43,240/-. **The para was settled.**

16. Para 21.29: Page 315; Likely Misappropriation Amounting to Rs.60,910/-

19-7-2001: Audit reported that an amount of Rs.60,910/- was incurred on the visit of an Ex Federal Minister.

The Department explained that ex post facto sanction to the incurrence of the expenditure in question had since been accorded by the Secretary.

The Committee directed that ex post facto sanction should be revised as per requirement of Audit. The para was settled subject to verification by Audit.

25-9-2001: The revised ex post facto sanction had been verified by Audit. **The para was settled.**

17. Para 21.31: Page 316; Misappropriation of FW Material Costing Rs.56,599/-

18-7-2001: After verification of the original record, Audit had admitted that the original Audit observation had been erroneously made and no misappropriation was involved. **The para was settled.**

18. Para 21.32: Page 317; Misappropriation of Sale Proceeds of Contraceptives worth Rs.137,355/-

18-7-2001: After verification of record, Audit had reported that the actual recoverable amount was Rs.130,354/50, which had already been recovered and verified. **The para was settled.**

19. Para 21.35: Page 318; Unjustified Advance Payment Amounting to Rs.52,882/-

19-7-2001: The detailed reply of the Department had not been recorded in the working paper.

The Committee directed that a revised working paper should be submitted in the next meeting after getting the record verified by Audit. The para was kept pending.

24-9-2001: The vouched accounts had been verified by Audit. **The para was settled.**

20. Para 21.36: Page 319; Irregular Payment of Building Rent for Rs.174,000/-

19-7-2001: Audit reported that an amount of Rs.174,000/- was paid without obtaining the assessment certificate from the ETO as required under the Rules.

The Department contended that assessment certificates were available for verification. The para was settled subject to verification by Audit.

24-9-2001: The record had been verified by Audit. **The para was settled.**

21. Para 21.37: Page 320; Unlawful Payment of Compensatory Allowance Amounting to Rs.807,000/-

19-7-2001: The position orally explained by Audit during the meeting had not been recorded in the working paper.

The Committee directed that a revised working paper should be submitted in the next meeting after getting the record verified by Audit. The para was kept pending.

24-9-2001: Audit had accepted the contention of the Department. **The para was settled.**

Paras Conditionally Settled (Civil Audit)

1. Para 21.3: Page 299; Irregular Purchase of Material for Village Base Family Planning Workers for Rs.342,779/- and Recovery of Rs.61,700/-

19-7-2001: The Department explained that ex post facto sanctions in respect of cases falling within the competence of the Department had been issued and the cases requiring sanction beyond the competence of the Administrative Department would be referred to the Finance Department.

The Committee directed that the ex post facto sanction issued by the Department should be revised as per requirement of Audit and the ex post facto sanction of the Finance Department should be obtained where necessary and warning should be issued to the officers who did not follow the government instructions. The para was kept pending.

24-9-2001: The Department explained that the case for regularization of the expenditure had been referred to Finance Department.

The Department was directed to finalize the necessary action expeditiously and Finance Department was directed to monitor the progress of the case and report to the Committee. **The para was settled.**

2. Para 21.5: Page 300; Irregular expenditure of Rs.217,171/-

19-7-2001: The Department explained that although not needed, the ex post facto sanction of the Secretary had been issued. The Committee directed that the ex post facto sanction should be revised as per requirement of Audit and appropriate action should be taken against the officer who did not follow government instructions. The para was settled subject to verification by Audit.

24-9-2001: Audit had verified the ex-post facto sanction of the competent authority.

The Department explained that an inquiry had been ordered against the officer at fault which was under process.

The Committee directed that Administrative Department should finalize the inquiry and action expeditiously and Finance Department should monitor the same. **The para was settled.**

3. Para 21.9: Page 303; Irregular Expenditure of Rs.1,067,590/- on Procurement of Various Items and Recovery of Income Tax Rs.26,999/-

19-7-2001: The Department pointed out that the para comprised four Audit observations contained in advance paras No. 3,4,5 and 9 of Audit and Inspection report.

The Department stated that Audit had lumped up the expenditure of 3 financial years to challenge the competence of the officers and had wrongly calculated the figures to inflate the amount of the para.

The Committee after considering the Departmental reply and Audit comments thereon, directed that –

Advance Paras 3 and 4

(a) the amount of income tax recovered and deposited by the Department be got verified by Audit.

(b) the record of purchase of medicine and Kit should be shown to Audit and Audit should examine and give its comments.

Advance Para 5

(c) ex post facto sanction accorded by the Secretary should be revised as per requirements of Audit; and

Advance Para 9

(d) the requisite record should be produced to Audit.

Audit para was kept pending.

24-9-2001: The Department stated that it had produced the requisite record to Audit, as per direction of the Committee. Audit had, however, made further observations.

The para was settled with the direction that the Finance Department may monitor progress in the case and report to the Committee.

4. Para 21.25(1): Page 313; Loss of Rs.36,032/- Due to Non-Deduction of Income Tax

19-7-2001: The Department explained that total recoverable amount had been recovered and deposited in the Government account. The para was settled subject to verification by Audit.

25-9-2001: According to Audit comments the actual recoverable amount was Rs.21,332/-. Audit had verified the recovery of Rs.3,120/- and had asked for further record in support of the recovery of Rs.18,212/-. The Department was directed to comply with this expeditiously. **The para was settled.**

5. Para 21.25(3): Page 313; Loss of Rs.19,832/- Due to Non-deduction of Income Tax

18-7-2001: The Department explained that the recovery of the Income Tax would be effected from the suppliers/contractors within a month.

The Committee advised the Department also to report the matter to Income Tax

Department for necessary action.

The Committee observed that if the amount was not recovered from the Contractor, it should be recovered from the DDO. The para was kept pending for recovery.

25-9-2001: The Committee re-iterated its previous directive dated July 18, 2001 and directed that Finance Department should monitor its implementation. The Income Tax Department might be provided the full particulars of the cases. **The para was settled.**

6. Para 21.25(4): Page 313; Loss of Rs.20,401/- Due to Non-deduction of Income Tax

18-7-2001: The Department explained that the recovery had been effected.

The Committee directed the Department to get the record verified by Audit. The para was settled, subject to verification.

24-9-2001: Audit reported that Treasury Challan had been seen by them but credit verification certificates were yet to be seen. **The para was settled subject to verification by Audit.**

7. Para 21.27: Page 314; Likely Misappropriation of Rs.81,190/-

19-7-2001: Audit reported that a sum of Rs.81,190/- was distributed to the 34 FW Centers as advance payment of repair of furniture and machinery in violation of the rules and the vouched accounts were not collected from the centers.

However, after perusal of the record produced by the Department, Audit had pointed out that vouchers for the expenditure of Rs.5,476/- had not been produced. Moreover, an amount of Rs.10,133/- had been unduly spent on the repair and maintenance of a rented building.

The Committee directed that the vouchers of the remaining amount of expenditure should be produced to Audit, irregular expenditure on the repair of rented building should be recovered, and appropriate action be taken against the persons responsible for the irregularity. The para was kept pending.

24-9-2001: The Committee directed the Department to recover the balance amount and get the relevant record verified by Audit. **The para was settled.**

Paras Pended (Civil Audit)

1. Para 21.2: Page 298; Irregular Purchase of Furniture for Rs.445,787/-

19-7-2001: Audit had objected to the incurrence of expenditure beyond competence by splitting the indent.

The Department explained that funds had been specifically provided for purchase of various items for different centers and the District Population Welfare Officer was competent to incur the expenditure. However, on the instance of Audit ex post facto sanction had been accorded by the Secretary.

The Committee directed that in this case the revised ex post facto sanction should be obtained from the competent authority as per requirement of Audit and the expenditure beyond the competency of the Department in the other case should be got regularized from the Finance Department. The para was kept pending.

25-9-2001: The Department explained that the revised ex post facto sanctions in six cases had been submitted to Audit and the case for regularization of expenditure of Rs.201,184/- had been referred to Finance Department.

Audit had accepted 4 sanction orders, but commented that 2 sanction orders for the amount of Rs.120,399/- also needed regularization by the Finance Department.

The Department was directed to get all the expenditure, as pointed out by Audit, regularized by Finance Department preferably before the next meeting of the Committee. **The para was kept pending.**

2. Para 21.6: Page 301; Irregular Expenditure of Rs.60,575/- due to Irregular Appointment

18-7-2001: Audit had pointed out that a Junior Clerk had been appointed in violation of the ban on recruitment imposed by the Provincial Government and without observing the prescribed procedure.

The Department explained that the Population Welfare Department was a federally funded organization and the policy decisions of the Government of the Punjab were not applicable to it. Moreover, the appointment of the Junior Clerk in question was made on *ad hoc* basis and when his services were terminated, he filed an appeal in the Lahore High Court. Such appointments were regularized by the Department in compliance with the judgement of the Lahore High Court after re-assessing their suitability.

The Committee observed that the expenditure of the posts were debit to Grant No.36 for which funds were allocated in the Punjab Budget, the rules and instructions of the Punjab Government should apply on them.

The Committee however directed the Department to obtain the opinion of the Law and Parliamentary Affairs Department Punjab on this legal issue in the light of decisions of the Lahore High Court and the Supreme Court Judgement. The para was kept pending.

24-9-2001: The Department explained that it had referred the matter to the Federal Ministry for regularization of the appointment of the Junior Clerk in question. The Department further stated that opinion of the Law & Parliamentary Affairs Department on the issue involved had also been sought. The Committee was of the view that since the post in question was funded through Grant No.36 of the provincial budget, the irregular appointment made on the said post had to be regularized by the provincial government.

The Committee further observed that the reference made by the Department to the Law & Parliamentary Affairs Department was not pertinent. The Department should make a fresh comprehensive reference for advice of the Law & Parliamentary Affairs Department on the basic issues involved, as already discussed in the previous meetings. Copies of the fresh reference may be provided to Audit as well as to the *Ad hoc* PAC secretariat.

The Committee directed that the matter of regularization of the irregular appointment should be referred to the SGA & ID (Regulation Wing) without further delay. **The para was kept pending.**

3. Para 21.8: Page 303; Irregular Expenditure of Rs.581,710/- on Account of Ad hoc

Appointments

19-7-2001: The Department explained that appointments were made by various Departmental authorities and later on the services of irregular appointees were terminated but they were re-instated from the date of their original appointments as per decision of the Lahore High Court.

The Committee directed the Department to produce to Audit for study and comments the complete list of persons whose services were terminated, the complete list of persons who had been re-instated and a copy of the decision of the Lahore High Court. The para was kept pending.

24-9-2001: The Department explained that the requisite lists of officials had been provided to Audit and a copy of the judgement of the Lahore High Court had also been provided to Audit.

Audit pointed out that the copy of the judgement had not been provided.

The Committee observed that the Department had not complied with the direction of the Committee and had also made a wrong statement in the working paper. The Committee directed that suitable action should be taken against those responsible for not implementing the direction of the Committee and also against those responsible for making a wrong statement in the working paper. **The para was kept pending.**

4. Para 21.10: Page 304; Irregular Expenditure of Rs.354,770/- on Un-Necessary Purchase of Furniture

19-7-2001: The Department explained that the purchases were made after fulfilling the codal requirements, but the rates accepted appeared to be on the higher side.

The Committee directed that an inquiry should be held into the matter and action should be taken against the officers responsible for accepting exorbitant rates besides recovery of the excess payment. The para was kept pending.

24-9-2001: The Department explained that a fresh inquiry was held and the inquiry report was being examined by the Department. However, the person held responsible had died.

The Committee observed that the inquiry report and decision taken by the competent authority thereon should be provided to Audit, who would see whether the person who had died was solely responsible, to the exclusion of all others concerned and also whether rates were exorbitant and whether purchase was made without requisitions. **The para was kept pending.**

5. Para 21.14: Page 306; Recovery of Rs.752,484/- Due to Non-accountal of Vaccine Engrix

18-7-2001: The Department explained that after the purchase process was finalized at the Provincial Office. Contractor was asked to supply the ice-packed Injections direct to 43 RHS-A Centers in Punjab, where refrigerators had been provided, and the whole record was available. The para was settled subject to verification by Audit.

25-9-2001: The Department explained that record had been produced to Audit. The Committee reiterated its earlier directive and desired that the necessary verification by Audit be completed before the next meeting of the Committee. **The para was kept pending.**

6. Para 21.15: Page 307; Recovery of Rs.87,933/- on Account of Purchase of Furniture on High Rates

18-7-2001: The Department explained that the purchase was made at the lowest tendered rate after completion of all the codal requirements. Moreover, the prices depend on the quality of

products.

Audit pointed out that the Department had purchased the office Chairs on two different rates in the same period.

The Committee directed that an inquiry should be held into the para, and action taken accordingly. The para was kept pending.

24-9-2001: The Department explained that as per direction of the Committee an inquiry was instituted in the case which was still in process. **The para was kept pending.**

7. Para 21.20: Page 310; Loss of Rs.65,119/- Due to Expiry of Medicines

18-7-2001: The Department explained that the Medicines were supplied to various Centers in Multan Division. These had expired due to the less than expected number of patients. Moreover, the amount of the para was exaggerated and the amount would come down on re-assessment.

The Committee directed the Department to hold an inquiry into the para and to see that the medicines were not purchased at the fag end of their expiry period. The inquiry be completed before the next meeting to held in August 2001 and copies of the inquiry report be submitted to Audit for comments. The para was kept pending.

25-9-2001: The Department explained that the inquiry officer had completed his inquiry and would shortly submit Inquiry Report to the Administrative Department.

The Committee directed that the reasons for over-stocking and apparently poor inventory management should also be inquired into. It should be examined as to why surplus stock at one centre was not transferred to other centres where it was needed.

The Committee directed that inquiry/action be finalized before the next meeting of the Committee. **The para was kept pending.**

8. Para 21.21: Page 310; Loss of Rs.2,911,026/- Due to Negligence

18-7-2001: Audit had pointed out that medicines worth Rs.2,911,026/- were damaged due to rain water in August 1996.

The Department explained that in August 1996, various parts of Lahore city were affected by heavy rains and flood. The Provincial Office, where the medicine had been stored was situated at a low-lying area and the flood was so sudden that stores could not be saved inspite of best efforts of the staff on duty.

The Department stated that an inquiry into the matter was held by the Federal Ministry, but its report had not yet been received.

The Committee directed the Department to request the Federal Ministry for finalizing the inquiry report within a month. The para was kept pending.

25-9-2001: The Department explained that the Ministry of Population Welfare had been again requested to send the Inquiry Report.

The Committee observed that the Federal Ministry was seized of the matter and Department should take further action in the light of the decisions on the Inquiry Report. **The para was kept pending.**

9. Para 21.22: Page 311; Loss of Rs.352,600/- Due to Drawl of Rent of a Building on Bogus Assessment Certificate

18-7-2001: The Department explained that as per certificates of the Excise & Taxation Department rent @ Rs.7,200/- P.M. was valid upto 1.7.1993 and the rent @ Rs.9,000/- P.M. was

effective from 8-12-1999. An over-payment of Rs.31,200/- made to the owner for the period from 1-7-1993 to 7-12-1994 was recoverable from him, out of which an amount of Rs.28,000/- had already been recovered and the balance amount would be recovered within one month. The para was settled, subject to verification of recoveries.

24-9-2001: After verification of record, Audit pointed out that the deposits of the amounts of Rs.28,942/- and Rs.3,100/-, made by the owner of the rented building were not on account of refund of excess payment to the Population Welfare Department but were on account of payment of property tax by the owner to the Excise & Taxation Department.

During discussion, the Department admitted that the recovery from the owner of the building was still due.

The Committee directed that recovery should be effected and got verified by Audit. Moreover, the Department should see whether there was any negligence or connivance on the part of any employee in this case and take appropriate action against him. **The para was kept pending.**

10. Para 21.23: Page 311; Loss of Rs.207,275/- on Account of Illegal and Fraudulent Appointments

19-7-2001: The Department explained that the services of the employees in question were terminated but later on, some of them were reinstated in service from the date of their original appointment as per judgment of the Lahore High Court. The record had been produced to Audit but they had demanded further record.

The Committee directed that all the relevant record should be produced to Audit. The para was kept pending.

25-9-2001: After seeing the record, Audit reported that services of 28 employees were terminated, 17 went into appeal in the High Court and were re-instated and 11 employees did not approach the court.

The Committee observed that it appeared that the High Court decision was about the procedure followed for termination of services in this case. The fact remained that appointments had been made in an irregular manner. The Committee directed that officer who made these irregular appointments was at fault and action should be taken against him under the rules. **The para was kept pending.**

11. Para 21.24: Page 312; Loss of Rs.800,000/- (Approximately) Due to Theft of Vehicle

18-7-2001: The Department explained that the Government vehicle No.FDL-6660 had been stolen by some un-identified persons from outside the office building in Faisalabad. The Department stated that the FIR had been lodged with the Police the same day, but the vehicle had not yet been recovered.

The Department further stated that in the Departmental inquiry no official was held responsible for the theft/loss of the vehicle.

The Committee directed the Department to provide a copy of the inquiry report to Audit and pursue the matter regarding recovery of the vehicle. The para was kept pending.

24&25-9-2001: The para was considered on 24 and 25 September, 2001. Audit pointed out that the Department had provided a copy of the FIR but had not provided a copy of the inquiry report.

The Committee directed the Department to produce to Audit the inquiry report for

verification and comments by 25 September, 2001.

(On 25.9.2001, Audit reported that copy of the inquiry report had not been provided.). **The para was kept pending.**

12. Para 21.26: Page 314; Suspect Misappropriation of Rs.1,148,000/-

18-7-2001: Audit had pointed out that advances of the stated amount were given to staff for various purposes during 1995-96, but the vouched accounts were not submitted.

The Department stated that the vouched accounts were available.

The Committee directed the Department to get the vouched accounts verified by Audit. The para was kept pending.

25-9-2001: The Committee directed the Department to get relevant record verified by Audit. **The para was kept pending.**

13. Para 21.30: Page 316; Misappropriation of Rs.319,688/-

19-7-2001: The detailed reply of Department had not been recorded in the working paper.

The Committee directed that a revised working paper should be submitted in the next meeting after getting the record verified by Audit. The para was kept pending.

25-9-2001: The Department asked one month's time for conducting physical verification of the items and for producing the record to Audit.

The Committee directed the Department to produce the relevant record to Audit. **The para was kept pending.**

14. Para 21.33: Page 317; Non-Accountable of Stationery and Miscellaneous Articles Costing Rs.69,186/-

19-7-2001: The Department explained that the items amounting to Rs.65,642/- were entered in the stock register whereas items amounting to Rs.3,544/- were not entered in the stock register and the amount thereof had been recovered from the responsible person.

During discussion it transpired that entries in the stock register had been made afterwards.

The Committee directed that action should be taken against the persons responsible for the irregularities. The para was kept pending.

24-9-2001: The Committee was not satisfied with the explanation of the Department and endorsed the view-point of Audit that ex post facto preparation of the accounts books after such a long period was not acceptable.

The Committee directed the Administrative Department to hold an inquiry in this case and finalize action/recovery expeditiously. **The para was kept pending.**

15. Para 21.34: Page 318; Over-payment of Rs.151,230/- on Account of Excess Drawal of Conveyance Allowance

18-7-2001: The Department explained that the recovery of the amount in question was in progress and an amount of Rs.30,963/- had already been recovered.

The Committee directed that appropriate orders of recovery from the pay or pension should be issued by the competent authority concerned. The para was kept pending.

25-9-2001: The Department explained that AGPR had been requested to recover the amount from the officers concerned. The Department was directed to produce the order of recovery to

Audit. The para was kept pending.

SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
23	22	1	--	--

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 1	Paras finally settled as the requisite action had been taken.	Civil:		
		Commercial: 3(xxvi)	1	625
		Works:		
Paras Conditionally Settled	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil:		
		Commercial:		
		Works:		
Paras Pended 22	Paras pended as the Department had not taken satisfactory action.	Civil:		
		Commercial:		
		Works:		
	Paras pended as the Department did not submit the working papers.	Civil: 24.1 to 24.22	22	626-628
		Commercial:		
		Works:		

Discussed on 28 March, 26 July and 25 September 2001

Paras Finally Settled

(Commercial Audit)

1. Para 3(xxvi): Page 7; Non-compilation of Accounts (Thal Industrial Corporation)

26-7-2001: The Department had not submitted its working paper on this para. The Commercial Audit, however, apprised the Committee that the previous PAC had directed that Thal Industrial Corporation should be got audited by the Auditor General of Pakistan but the Audit had not been allowed to do so, till the dissolution of the Corporation in 1997. The S & GAD was directed to submit a brief on this para in the next meeting. **The para was kept pending.**

25-9-2001: The Department explained that the jurisdiction of State Audit in the matter of audit of the Thal Industrial Corporation was sub-judice. The Committee was also informed that there was only one Sugar Mill working under the control of the Corporation. The company had been sold/privatized in 1998. **The para was settled.**

Paras Pended

(Civil Audit)

1. Working Papers Not Submitted

28-3-2001: The Working Papers in respect of Appropriation Accounts relating to Governor's Inspection Team, Provincial Ombudsman, and items relating to S&GAD in Grant No.36 and Grant No.23 were not submitted by the Departments to the Committee and hence the same had to be pended.

The Working Papers in respect of the Draft Paras relating to the Chief Minister's Secretariat had also not been submitted, as the record was with National Accountability Bureau.

The Committee directed that its directive on Appropriation Accounts of Chief Minister's Secretariat shall also apply to the Draft Para of the Chief Minister's Secretariat.

2. Draft paras (Civil) 24.1 to 24.22

26-7-2001: The Department explained that the Draft Paras (civil) 24.1 to 24.22 related to the Chief Minister's Secretariat and all the record of Chief Minister's Secretariat had been taken over by the Regional Accountability Bureau; and efforts were being made for retrieval of record. **The paras (relating to defunct Chief Minister's Secretariat) were kept pending.**(details annexed)

25-9-2001: The Department explained that the Working Paper could not be prepared as the relevant record was lying under the control of Regional Accountability Bureau, who had recently allowed the Department to consult the record which would hopefully be traced out and working paper submitted to the Committee within one month.

The Department was directed to get the record verified by Audit and Working Paper commented upon by Audit, before submission to the Committee. **The paras (relating to defunct Chief Minister's Secretariat) were kept pending.**(details annexed)

Working Papers not submitted

Sr. No.	Para Nos.	Subject
1.	24.1	Irregular and uneconomical expenditure of Rs. 1,215,615/-
2.	24.2	Irregular expenditure on entertainment amounting to Rs. 119,460/-
3.	24.3	Irregular and uneconomical expenditure of Rs. 919,460/- on purchase of flower bunches, flower baskets and flower cuts for Chief Minister Punjab
4.	24.4	Irregular and uneconomical expenditure of Rs. 363,615/- on repair of vehicle
5.	24.5	Irregular and unlawful purchase and installation of telephone exchange out of Chief Minister grant to the tune of Rs. 500,000/-
6.	24.6	Irregular expenditure of Rs. 1,461,578/- on purchase of cellular phones
7.	24.7	Irregular and unlawful expenditure of Rs. 147,158/- on running of government vehicle
8.	24.8	Irregular payment of service charges amounting to Rs. 60,064/- in respect of pilots of Chief Minister
9.	24.9	Irregular expenditure of Rs. 104,795/- due to commission charges
10.	24.10	Irregular expenditure of Rs. 97,632/- on entertainment of Chief Minister on his visit to Murree
11.	24.11	Irregular expenditure of Rs. 167,770/- on uncalled for and uneconomical entertainment of guests at Haveli Lakha
12.	24.12	Irregular expenditure on printing of invitation cards to the tune of Rs. 96,500/-
13.	24.13	Non-recovery of Rs. 308,860/- on account of irregular overseas calls
14.	24.14	Irregular payment of Rs. 500,000/- as grant in aid to M/s Pakistan Gole Federation and non rendering of accounts
15.	24.15	Irregular payment on purchase of seven paktel at a cost of Rs. 235,550/-
16.	24.16	Loss of Rs. 229,153/- on account of non-recovery of income tax
17.	24.17	Loss of Rs. 200,502/- due to non-recovery of room rent of Punjab House, Islamabad
18.	24.18	Loss of Rs. 1,505,221/- on account of excess use of POL
19.	24.19	Loss of Rs. 583,130/- on account of non-deduction of income tax
20.	24.20	Loss of Rs. 151,767/- due to non-recovery of income tax at source
21.	24.21	Needless expenditure blockade of government money to the tune of Rs.23,430,000/- on purchase of motor vehicle

22. 24.22 Gifts amounting to Rs.163,100/- given to un-concerned persons, recovery thereof

SOCIAL WELFARE, WOMEN DEVELOPMENT AND BAITUL MAAL DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
1	–	1	–	–

Abstract

Status	Decision of PAC	Para Nos.	Total	Details (Pages)
Paras Finally Settled 1	Paras finally settled as the requisite action had been taken.	Civil:		
		Commercial: 3(xxiii)	1	633-634
		Works:		
Paras Conditionally Settled	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil:		
		Commercial:		
		Works:		
Paras Pended	Paras pended as the Department had not taken satisfactory action.	Civil:		
		Commercial:		
		Works:		
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial:		
		Works:		

Discussed on 28 March and 19 July 2001

Paras Finally Settled

(Commercial Audit)

1. Para 3(xxiii) 1989-90 to 1996-97: Page 7; Non Compilation of Accounts

28-3-2001: Audit pointed out that the accounts of the Punjab Bait-ul-Maal for the years 1989-90 to 1996-97 had not been provided to Audit. The Department explained that the accounts up to the year 1993-94 had since been submitted to Audit. While perusing the summary of Receipts and Payments of the Bait-ul-Maal for the years 1990-91, 1991-92, 1992-93 & 1993-94, the Committee observed that heavy amounts had been transferred to “Chief Minister’s Fund”. Certain amounts had been shown as “Un-identified disbursements”. Moreover, very heavy amounts had been shown as “Unutilised balance”.

The Committee directed the Administrative Department and Finance Department to review the whole working and system of Bait-ul-Maal to see whether it had achieved its objectives and to what extent, and whether it was advisable to keep it in existence and in what form. The Administrative Department was further advised to review the law and rules relating to Bait-ul-Maal to improve the working and system of the Bait-ul-Maal.

The Committee further suggested that the Government should make arrangements for conducting detailed audit of the Bait-ul-Maal Council, right from its inception to-date, by the Auditor General of Pakistan.

Audit was directed to give detailed comments and observations on the accounts and working of the Bait-ul-Maal Council for the period under review and the Department was directed to submit revised working paper for the next meeting. The para was kept pending.

19-7-2001: (1) The para was considered with reference to the minutes of the *ad hoc* PAC’s meeting on March 28, 2001.

In response to the queries raised by the Committee in the last meeting about transfer of Bait-ul-Maal Fund to “Chief Minister’s Fund”, the Department explained that the amounts of Rs.92,050,950/-, Rs.100,000,000/- and Rs. 5,000,000/- were transferred in September 1992, November 1992 and September 1992, respectively from Bait-ul-Maal Fund to the “Chief Minister’s Bait-ul-Maal Relief/Aid/Jahez Funds” on the directions of the then Chief Minister and with the approval of the Bait-ul-Maal Council. The Committee observed that these transfers of Bait-ul-Maal Fund to the so-called CM’s Funds and their disbursements were apparently illegal under the Punjab Bait-ul-Maal Act 1991, and that the Bait-ul-Maal Council in approving the transfer of funds, appeared to have acted illegally.

(2) The Department further explained that as directed by the PAC during its meeting dated March 28, 2001, a Review Committee had been constituted comprising Secretary, Social Welfare, Women Development and Bait-ul-Maal, Director-General Social Welfare and a representative each of Law & Finance Departments.

The Review Committee had drafted amendments to the Bait-ul-Mal Act, for eliminating political interference in its working. The Amending Draft Legislation would be moved through proper channel.

(3) Furthermore, the Committee was apprised that as per its direction dated March 28,

2001, Auditor-General of Pakistan had been approached and he had given permission for the detailed audit of the Punjab Bait-ul-Maal Fund/Accounts which would be undertaken shortly. The Committee suggested that for this purpose, the Commercial Audit may associate itself with the Chartered Accountant appointed by the Council.

The Committee observed that as the accounts of the Council upto the year 1996-97 had been submitted to Audit who would examine them and submit its Report to the Governor and would come before the PAC in due course, the para relating to non-submission of Accounts **should be treated as settled.**

SOCIAL WELFARE, WOMEN DEVELOPMENT AND BAITUL MAAL DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
1	–	1	–	–

Abstract

Status	Decision of PAC	Para Nos.	Total	Details (Pages)
Paras Finally Settled 1	Paras finally settled as the requisite action had been taken.	Civil:		
		Commercial: 3(xxiii)	1	633-634
		Works:		
Paras Conditionally Settled	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil:		
		Commercial:		
		Works:		
Paras Pended	Paras pended as the Department had not taken satisfactory action.	Civil:		
		Commercial:		
		Works:		
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial:		
		Works:		

Discussed on 28 March and 19 July 2001

Paras Finally Settled

(Commercial Audit)

1. Para 3(xxiii) 1989-90 to 1996-97: Page 7; Non Compilation of Accounts

28-3-2001: Audit pointed out that the accounts of the Punjab Bait-ul-Maal for the years 1989-90 to 1996-97 had not been provided to Audit. The Department explained that the accounts up to the year 1993-94 had since been submitted to Audit. While perusing the summary of Receipts and Payments of the Bait-ul-Maal for the years 1990-91, 1991-92, 1992-93 & 1993-94, the Committee observed that heavy amounts had been transferred to “Chief Minister’s Fund”. Certain amounts had been shown as “Un-identified disbursements”. Moreover, very heavy amounts had been shown as “Unutilised balance”.

The Committee directed the Administrative Department and Finance Department to review the whole working and system of Bait-ul-Maal to see whether it had achieved its objectives and to what extent, and whether it was advisable to keep it in existence and in what form. The Administrative Department was further advised to review the law and rules relating to Bait-ul-Maal to improve the working and system of the Bait-ul-Maal.

The Committee further suggested that the Government should make arrangements for conducting detailed audit of the Bait-ul-Maal Council, right from its inception to-date, by the Auditor General of Pakistan.

Audit was directed to give detailed comments and observations on the accounts and working of the Bait-ul-Maal Council for the period under review and the Department was directed to submit revised working paper for the next meeting. The para was kept pending.

19-7-2001: (1) The para was considered with reference to the minutes of the *ad hoc* PAC’s meeting on March 28, 2001.

In response to the queries raised by the Committee in the last meeting about transfer of Bait-ul-Maal Fund to “Chief Minister’s Fund”, the Department explained that the amounts of Rs.92,050,950/-, Rs.100,000,000/- and Rs. 5,000,000/- were transferred in September 1992, November 1992 and September 1992, respectively from Bait-ul-Maal Fund to the “Chief Minister’s Bait-ul-Maal Relief/Aid/Jahez Funds” on the directions of the then Chief Minister and with the approval of the Bait-ul-Maal Council. The Committee observed that these transfers of Bait-ul-Maal Fund to the so-called CM’s Funds and their disbursements were apparently illegal under the Punjab Bait-ul-Maal Act 1991, and that the Bait-ul-Maal Council in approving the transfer of funds, appeared to have acted illegally.

(2) The Department further explained that as directed by the PAC during its meeting dated March 28, 2001, a Review Committee had been constituted comprising Secretary, Social Welfare, Women Development and Bait-ul-Maal, Director-General Social Welfare and a representative each of Law & Finance Departments.

The Review Committee had drafted amendments to the Bait-ul-Mal Act, for eliminating political interference in its working. The Amending Draft Legislation would be moved through proper channel.

(3) Furthermore, the Committee was apprised that as per its direction dated March 28,

2001, Auditor-General of Pakistan had been approached and he had given permission for the detailed audit of the Punjab Bait-ul-Maal Fund/Accounts which would be undertaken shortly. The Committee suggested that for this purpose, the Commercial Audit may associate itself with the Chartered Accountant appointed by the Council.

The Committee observed that as the accounts of the Council upto the year 1996-97 had been submitted to Audit who would examine them and submit its Report to the Governor and would come before the PAC in due course, the para relating to non-submission of Accounts **should be treated as settled.**

TRANSPORT DEPARTMENT

Overview

Total Paras	Civil	Commercial	Works	Receipts
9	–	1	–	8

Abstract

Status	Decision	Para Nos.	Total	Details (Pages)
Paras Finally Settled 1	Paras finally settled as the requisite action had been taken.	Civil:		
		Commercial: 3(xxv)	1	639
		Revenue Receipts:		
Paras Conditionally Settled 6	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	Civil:		
		Commercial:		
		Revenue Receipts: 7.1(4258, 2900, 2208, 3032, 4076 and 4602)	6	640-641
Paras Pended 2	Paras pended as the Department had not taken satisfactory action.	Civil:		
		Commercial:		
		Revenue Receipts:		
	Paras pended as the Department did not submit the working papers.	Civil:		
		Commercial:		
		Revenue Receipts: 2.2, Annexure 'G' 'M' (Fitness Fee and Route Permit Fee)	1	642

Discussed on 17 February, 15 June, 15 & 28 August and 16 October 2001

Paras Finally Settled

(Commercial Audit)

1. Para (XXV): Page 7; Punjab Road Transport Corporation (Pvt) Limited, Lahore

17-2-2001: Director General Audit Commercial apprised the Committee that the final accounts of the Punjab Road Transport Corporation for the years 1994-95 to 1997-98 had since been received for audit. **The para was settled.**

15-6-2001: The Secretary, Transport had neither come to attend the meeting nor had he sent any written information about his absence. The Secretary, Road Transport Corporation informed the Committee that the Secretary, Transport was attending the Budget meeting called by the Finance Minister. The Committee decided to wait for him and asked the officers of his Department to convey to him the message of the Committee that he should come to the PAC meeting, as soon as the Budget Meeting was over. Later on, the Secretary, PRTC informed the Committee that the Secretary, Transport had left the Committee Room of the Finance Department and could not be contacted.

Taking serious notice of the absence of the Secretary Transport, without prior approval or information of the Committee, the Committee decided not to consider the business of the Transport Department in the absence of the Secretary, Transport and deferred the matters to the next meeting to be fixed for the said Department.

15-8-2001: As directed by the Committee in its last meeting held on February 17, 2001, the Department submitted a statement showing assets and liabilities of the Defunct Punjab Road Transport Corporation as on 30-6-2001. The Department explained that the case filed by the Department for waiving the interest accrued on loans was pending in the Banking Court. The Corporation would go for liquidation after the decision of the said case. The Committee was informed that some of the properties of the Corporation had been disposed of through the Privatisation Commission. The auction money had been deposited into government treasury and verified by Audit. The landed property retained by the Department was with the Board of Revenue Punjab. Further consideration of the Working Papers about the Punjab Road Transport Corporation (defunct) was deferred to 28-8-2001.

28-8-2001: The Department submitted a revised Working Paper about the assets and liabilities of the defunct Punjab Road Transport Corporation. Since the revised Working Paper was received late, the Committee decided to defer the matter to the next meeting to be fixed in due course.

Paras Conditionally Settled

(Revenue Receipts Audit)

1. Para 7.1: Page 69; Non-realization of government revenue on account of non-renewal of

route permits Rs.540,060/-**15-8-2001:**

S/N	Name of tax Collecting agency	Period of Irregularity	No. of Cases	Amount recoverable	Draft Para No.
1.	Secretary RTA, Lahore	1994-95	58	158,280/-	4258
2.	Secretary RTA, Rawalpindi	1994-95	90	157,320/-	2900
3.	Secretary RTA, Sargodha	1991-92 & 1992-93	21	50,550/-	2208
4.	Secretary RTA, D.G. Khan	1993-94 & 1994-95	22	47,850/-	3032
5.	Secretary RTA, Faisalabad	1994-95	49	88,890/-	4076
6.	Secretary RTA, Multan	1995-96	17	37,170/-	4602
Total:			257	Rs. 540,060/-	

The Department expressed the view that route permits were issued for regulatory purpose and were not aimed at revenue raising. The existing law required that a route permit should be surrendered or got renewed on expiry, but there was no mechanism for checking the surrendered/renewal of route permit unless the vehicle was caught in a raid by Police or by the Regional Transport Authority staff. The Department explained that 257 vehicles were involved in this para. The Committee directed that each case should be examined separately on its merits and the correct position verified by Audit; recovery of government dues should also be made where established. Moreover, if the Department felt that the existing law or rules were deficient, it should propose amendments to the Government. The para was kept pending.

16-10-2001:

- (i) **PDP No.4258 Secretary RTA, Lahore - Rs.158,280/-**
- (ii) **PDP No.2900 Secretary RTA, Rawalpindi - Rs.157,320/-**
- (iii) **PDP No.2208 Secretary RTA, Sargodha - Rs.50,550/-**
- (iv) **PDP No.3032 Secretary RTA, Dera Ghazi Khan - Rs.47,850/-**
- (v) **PDP No.4076 Secretary RTA, Faisalabad - Rs.88,890/-**
- (vi) **PDP No.4602 Secretary, Multan - Rs.37,170/-**

The para was considered in the light of minutes of the meeting held on 15-8-2001.

The Department explained that record of the route permits involved in this para was being got verified by Audit and action in each case would be taken accordingly.

The Department further informed the Committee that an amendment in the relevant law had also been proposed and sent to the Law & Parliamentary Affairs Department for further action.

The Committee directed that case-wise scrutiny and verification should be completed expeditiously and action taken for recovery of the Government dues from the persons concerned. The Committee observed that Finance Department may monitor further progress in the case. With this observation **the para was settled.**

(ii) Assets and liabilities of Punjab Road Transport Corporation (Defunct)

The Department presented an updated statement of the assets and liabilities of the defunct Punjab Road Transport Corporation, along with the audited accounts for the year ended 30 June,

2001. The Committee sought clarifications on a number of points. It was noted that huge amounts of loans and debentures were outstanding, and the total liabilities far exceeded the book value of assets. The consortium of lenders had instituted legal proceedings for the recovery of their dues. The Committee expressed concern at the delay in winding up the affairs and advised the Department to take appropriate steps to ensure that the liabilities do not keep on growing because of delay in settling various issues.

Working Paper not submitted

Para 2.2 (Annexures G & M)

Annexure

GOVERNMENT OF THE PUNJAB FINANCE DEPARTMENT

NOTIFICATION

Dated: Lahore the 20 October 2000

No.FD/Acctts:/(A&A)/V-7/69. In exercise of the powers conferred upon him under the order of the Chief Executive of Pakistan contained in letter No.1(74)SO(C-2)/2000 dated 31st July 2000 read with Article 2 of the Powers and Functions of the Governors Order 19 (No.5 of 1999), the Governor of the Punjab is pleased to constitute, until further orders, an ad hoc Public Accounts Committee for examining the appropriation and other accounts of the Government of the Punjab and the reports of the Auditor General thereon and for dealing with the unfinished business of the Standing Committees on Public Accounts of the Provincial Assembly of the Punjab suspended on the twelfth day of October 1999, consisting of the following namely:

- | | |
|--|--------|
| 1. Mr Aftab Ahmad
(Retd. Secretary C&W) | Member |
| 2. Mr Ahmad Raza Khan
(Retd. Addl. Secretary) | Member |
| 3. Mr Ali Kazim, Advocate
(Retd. Civil Servant) | Member |
| 4. Ch Muhammad Aslam
(Retd. Provincial Secretary) | Member |
| 5. Prof. (R) Dr Ejaz Ahsan
(Retd. Principal KEMC) | Member |
| 6. Prof. (R) Dr Khalid Hameed Sheikh
(Retd. Vice Chancellor, Punjab University) | Member |
| 7. Mian Abdul Qayyum
(Retd. Federal Secretary) | Member |
| 8. Mr Muhammad Ahmad Bhatti
(Retd. Provincial Secretary) | Member |
| 9. Major General (Retd) Muhammad Akram
461-CC, Phase IV, DHA, Lahore | Member |
| 10. Mr Muzaffar Mahmood Qureshi
(Retd. Federal Secretary) | Member |
| 11. Mr Riaz Hussain Bokhari,
(Retd. Auditor General of Pakistan) | Member |

2. Mr Riaz Hussain Bokhari, will act as Chairman of the ad hoc Public Accounts Committee, until further orders.

3. (1) In scrutinizing the appropriation and other accounts of the government and the reports, including special audit reports and performance audit reports of the Auditor General of Pakistan thereon, it shall be the duty of the ad hoc Public Accounts Committee, hereinafter referred to as Committee, to satisfy itself:

- (a) that the moneys shown in the accounts as having been disbursed were legally available for and applicable to, the service or purpose to which they have been applied or charged.
- (b) that the expenditure conforms to the authority which governs it.
- (c) that every re-appropriation has been made in accordance with the provisions made in this behalf under the rules framed by the Finance Department.
- (d) that the money shown in the accounts was spent with due regard to regularity, propriety, economy, efficiency and effectiveness.

(2) It shall also be the duty of the Committee:-

- (a) to examine the statement of accounts showing the income and expenditure of state corporations, trading and manufacturing schemes, concerns and projects together with the balance sheets and statements of profit and loss accounts which the Governor may have required to be prepared or are prepared under the provisions of the statutory rules regulating the financing of a particular corporation, trading of manufacturing scheme or concern or project and the report of the Auditor General of Pakistan thereon;
- (b) to examine the statement of accounts showing the income and expenditure of autonomous and semi-autonomous bodies, the audit of which may be conducted by the Auditor General of Pakistan either under the directions of the Governor or under an Act of Assembly; and
- (c) to consider the report of the Auditor General of Pakistan in case where the Governor may have required him to conduct the audit of any receipts or to examine the accounts of stores and stocks.

(3) If any money has been spent on any service during a financial year in excess of the authorized grant or appropriation for that purpose, the Committee shall examine with reference to the facts of each case the circumstance leading to such an excess and make such recommendations as it may deem fit.

4. The Committee will make arrangements for clearance of backlog of audit reports passed on to it as unfinished business of the aforesaid Standing Committees of the Provincial Assembly. Recommendations of the Committee shall be submitted for final approval to the Minister for Finance Punjab within one year positively.

5. The recommendations made by the aforesaid Standing Committees of Provincial Assembly of the Punjab in the finalized reports for the previous years shall be submitted by the Committee to the Finance Minister for approval. The Committee shall also oversee implementation of its approved recommendations.

6. The Provincial Assembly Secretariat will function as the Secretariat of the Ad hoc Public Accounts Committee.

Sd/-
(M. AKRAM MALIK)
Secretary to Government of the Punjab
Finance Department

No. FD/Accts:/(A&A)/V-7/69

Dated Lahore the, 20th October 2000

Copy forwarded for information to:-

- 1) All Administrative Secretaries to Government of the Punjab.
- 2) All Heads of Departments in the Punjab.
- 3) Secretary, Provincial Assembly of the Punjab, Lahore.

Sd/-
(Muhammad Anwar Cheema)
Under Secretary (M-1)
Government of the Punjab
Finance Department

No. FD/Accts:/(A&A)/V-7/69

Dated Lahore the, 20th October 2000

Copy forwarded for information to the:-

- 1) Auditor General of Pakistan, Constitution Avenue, Islamabad.
- 2) Accountant General, Punjab, Lahore.
- 3) Director General, Audit (Works), Punjab, Lahore.
- 4) Director General, Audit, Punjab, Lahore.
- 5) Director General, Commercial Audit, Lahore.
- 6) Director General, Revenue Receipt Audit, Punjab, Lahore.
- 7) Director General, Accounts (Works), Lahore.

Sd/-
(Muhammad Anwar Cheema)
Under Secretary (M-1)
Government of the Punjab
Finance Department

No. FD/Accts:/(A&A)/V-7/69

Dated Lahore the, 20th October 2000

A copy is forwarded to the Superintendent Government Printing Punjab, Lahore, for publication in the Punjab Gazette and for supplying 10 printed copies to this Department for record.

Sd/-

(Muhammad Anwar Cheema)
Under Secretary (M-1)
Government of the Punjab
Finance Department