

PROVINCIAL ASSEMBLY OF WEST PAKISTAN

REPORT

OF THE

STANDING COMMITTEE

ON

PUBLIC ACCOUNTS

ON THE

**APPROPRIATION, COMMERCIAL AND FINANCE
ACCOUNTS OF THE GOVERNMENT**

OF

WEST PAKISTAN

FOR THE YEAR

1958-59 AND THE AUDIT REPORTS

THEREON



Lahore

Printed and Published by the Superintendent, Government Printing, West Pakistan

1963

REPORT OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS OF THE PROVINCIAL ASSEMBLY OF WEST PAKISTAN ON THE APPROPRIATION, COMMERCIAL AND FINANCE ACCOUNTS OF THE GOVERNMENT OF WEST PAKISTAN FOR THE YEAR 1958-59 AND THE AUDIT REPORTS THEREON

Chairman—

Mr. S. M. Sohail, M.P.A.

Members—

- (1) Mr. Muhammad Akbar Khan of Paniala, M.P.A.
- (2) Khan Ata Hussain Khan, M.P.A.
- (3) Pir Ali Shah, M.P.A.
- (4) Mir Mir Muhammad Khan Talpur, M.P.A.
- (5) Sardar Ahmad Ali, M.P.A.
- (6) Mr. Ghulam Muhammad Shah, M.P.A. (up to 1st April 1965 only).

Ex-officio Member—

The Minister for Finance, Government of West Pakistan.

2. As required by Article 198 of the Constitution of the Islamic Republic of Pakistan, the Appropriation and Finance Accounts of the Government of West Pakistan for the year 1958-59 and the reports of the Comptroller and Auditor-General thereon were laid before the Provincial Assembly on 12th March 1963. The Commercial Accounts of the Government for the same year and the Audit Report thereon were laid before the Assembly on 8th June 1963.

3. (1) As required by Rule 113 of the National Assembly of Pakistan Rules of Procedure as adopted for regulating the procedure of the Provincial Assembly of West Pakistan,—

(a) the Committee conducted a thorough examination of the Appropriation Accounts and Audit Report thereon to satisfy itself—

(i) 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;

(ii) that the expenditure conforms to the authority which governs it; and

(iii) that every re-appropriation has been made in accordance with such rule as prescribed by the Finance Minister.

(b) the Committee examined the accounts of the Commercial undertaking administered by the Government of West Pakistan and the Comptroller and Auditor-General's Report thereon.

(2) This examination was conducted by the Committee in 24 meetings held on 2nd October 1963, 12th, 13th and 14th November 1963, 28th April 1964, 24th, 25th, 26th, 28th and 29th September 1964, 23rd and 24th November 1964, 15th, 16th, 17th, 18th, 19th and 20th February 1965, 21st, 22nd, 24th, 27th, 28th and 29th May 1965.

The detailed proceedings of the Committee are contained in Annexure to this Report.

(3) In the meetings held on 2nd October 1963 and 28th April 1964, a preliminary examination of the Appropriation and Finance and Commercial Accounts, respectively was conducted. In regard to matters which required further elucidation, it was decided to call for explanatory notes from the Administrative Department concerned and to examine them.

Composition
of the Com-
mittee.

Presentation
of the Ac-
counts to
the Assem-
bly.

Meetings of
the Com-
mittee.

(4) The next meetings were devoted to the examination of the Administrative Secretaries and Heads of attached Departments or their representatives on the points requiring further explanation. In these meetings the Committee also considered those items relating to the Appropriation and Commercial Accounts for the year 1957-58, which were either considered by the Committee at its earlier meetings and further details were asked for from the departments concerned or for which no explanation was furnished to the Committee earlier.

(5) In the last meeting held on 29th May 1965 the Committee finalised its Report to the Assembly.

Aggregate grants and appropriation with the aggregate disbursement.

4. (1) The West Pakistan Appropriation Act, 1958, authorising payment and appropriation from and out of the Provincial Consolidated Fund for the period April 1958 to March, 1959, was enacted on 31st March 1958.

(2) As a result of the change of the fiscal year during the currency of the year the West Pakistan Appropriation Ordinance, 1959, authorising payment and appropriation from and out of the Provincial Consolidated Fund for the period of three months—April to June, 1959, intervening between the financial year ending on the 31st March, 1959 and the financial year beginning on the 1st July 1959 was promulgated on 30th March, 1959.

(3) The West Pakistan Supplementary Appropriation Ordinance, 1959 authorising further payment and appropriation from and out of the Provincial Consolidated Fund for the period of fifteen months ending on the 30th June 1959 was promulgated on 29th June 1959.

(4) The following statement compares the aggregate grants and appropriations as also the modified grants and appropriation for the year under report with the aggregate disbursements—

Serial No.	Particulars	Charged	Voted	Total
		Rs.	Rs.	Rs.
1	The West Pakistan Appropriation Act, 1958	33,14,73,800	1,96,55,29,000	2,29,70,02,800
2	The West Pakistan Appropriation Ordinance, 1959.	21,76,70,200	45,50,30,800	67,26,91,000
3	The West Pakistan Supply Appropriation Ordinance, 1959.	41,38,02,300	32,11,25,620	73,49,27,920
4	Net aggregate grants or Appropriation.	96,29,46,300	2,74,16,75,420	3,70,46,21,720
5	Surrenders or withdrawals within Grants or Appropriation.	7,17,59,730	16,00,80,013	23,18,39,743
6	Net modified Grant or Appropriation.	89,11,86,570	2,58,15,95,407	3,47,37,81,977
7	Aggregate disbursements ...	90,48,83,822	3,56,54,22,299	4,47,03,06,121
8	Less (—) More (+) than (4) above	-5,80,82,478	+82,37,46,879	+76,56,64,401
9	Percentage of (8) to (4) ...	-6.03	+30.05	+24.02
10	Less (—) or more (+) than (6) above	+1,36,97,252	+1,00,38,26,892	+1,01,75,24,144
11	Percentage of (10) to (6) ...	+1.54	+39.19	+40.73

5. (1) During the course of examination of the Accounts it appeared to the Committee that the broad heads which required special attention were:—

General

- (i) In accurate budgeting necessitating huge surrenders and savings brought about by negligent and unscientific anticipation of expenditure and absence of administrative approvals in due time and other reasons as a result of which the nation-building activities substantially suffered;
- (ii) excesses in expenditure over the budget provision which could not be justified as unavoidable; and;
- (iii) major irregularities such as defalcations, embezzlements, misappropriations, etc.

(2) Full and detailed picture of the scrutiny and examination conducted by the Committee on these heads and specific recommendations made by the Committee in each case will be found in the proceedings of the Committee which form Annexure to this report but the Committee considers it desirable to incorporate some of the more important items under each of these heads in this report to spot-light attention of the Legislature and Government for necessary action.

6. As shown in paragraph 5 of the Appropriation Accounts under report saving occurred in 33 out of 48 voted grants and in 7 out of 10 charged Appropriations. The Committee during the preliminary examination held on 2nd October 1963, decided not to call for any explanation where there was a saving of ten per cent or less under a Head. The Committee, therefore, examined the explanation of departments where there was a reported saving of more than 10 per cent. Some important cases which require the special attention are given below—

Savings

(i) Page 3, paragraph 5, serial No. 9 read with page 126—

Grant No. 21—

Head 38-A—Health Services— Rs.

Final Grant .. 5,47,21,710.

Actual expenditure .. 4,75,06,823.

Saving .. 72,14,887.

The Secretary, Health Department stated that the saving of Rs. 72,14,887 was due to the fact that (i) certain posts could not be filled in due to non-availability of technical personnel; (ii) certain medicines which had to be purchased were not available from the Medical Store Depot and (iii) the grants meant for local bodies were not distributed.

As regards the non-availability of technical personnel, the Department had advertised the posts but without result. It was pointed out to the Committee that the main reasons for which doctors do not like Government service and either go out of the country or preferred private practice was that—(i) the emoluments offered by Government do not come up to the living standard of doctors and (ii) no residential accommodation is provided to them and even if the accommodation is provided it is not possible for them to pay for the accommodation with the small emoluments that they get. The Committee would like to point out the importance and the utility from the public point of view of the Health Department having full strength of its personnel and recommend that the Government may consider the whole position and make the emoluments attractive so that the requisite strength may be available to man the health services.

As regards the non-availability of the medicines from the Medical Store Depot, Secretary, Health Department further explained that the medicines could not be purchased from the open market because the Medical Store Depot had the practice that time to make a remark "hereafter" in the requisition with the result that the requisitioning officer was not free to make purchase from the open market. The Medical Store Depot has now been instructed that if the required medicine is not avail-

able in the Depot, it should clearly be stated so that it can be purchased from the open market. Instructions have also been issued to the effect that if the Medical Store Depot remarks "hereafter" the requisitioning officer should purchase the medicines from the open market. Therefore this type of saving was not likely to occur in future.

As regards non-distribution of grant to local bodies, Secretary, Health Department stated that a meeting for distribution of grant was fixed for 20th June; but as the then Secretary of the Health Department was out of station, the meeting could not be held and the result was that more than Rs. 6 lakhs could not be distributed to the local bodies for the purpose of carrying out their useful activities for the protection of the health of the masses. Secretary, Health Department, conceded that with better arrangements and with more care this money could have been distributed and the meeting at any date should have been held in June. Secretary, Health Department further informed the Committee that the system has since been changed and the amount is now distributed by the Commissioners and as such there is no likelihood of there being any saving on this account.

(ii) Page 3, paragraph 5, serial No. 21, read with page 213—

Grant No. 40—

Head 57—Miscellaneous—A—Cost of Books and Periodicals—
Rs.

Original Grant	.. 62,660
Surrender	.. 16,270
Final Grant	.. 46,390
Expenditure	.. 17,156
Saving	.. 29,234

In this case there was a total grant of Rs. 62,660. to the Industries Department for the purchase of reference books, periodicals and other reading material required to keep the officers of the Department up-to-date and fit to tackle problems to the Department from day to day. The Department in the first instance surrendered Rs. 16,270 and then saved more than fifty per cent. While examining the accounts for the year 1957-58 the Committee had already made its observation on similar saving during that year. The Secretary, Industries Department informed the Committee that they had issued rather a stiff circular calling upon all the officers to take the said observations seriously and to surrender the amount in time if they were unable to spend it. The Committee would like to stress again that what needed spotlighting was correct budgeting and strenuous emphasis on spending every pie of what has been allocated. The Committee is of the opinion that the saving under this head bears no comparison to the loss that has been occasioned to the nation by the officers not having read all these books which they would have if these purchases had been made. The Committee recommends that another circular drawing the attention of all the departments pin-pointing the two important points namely, correct budgeting and spending to the pie the amount allocated for the purpose be issued and its compliance ensured.

(iii) Page 3, paragraph 5, read with page 221—

Grant No. 41—

Head 63—Extraordinary charges— Rs.

Original Grant	.. 3,02,370
Re-appropriation	— —53,100
Final Grant	.. 2,49,270
Expenditure	— 2,61,283
Saving	— 41,017

Under this head the amount was allocated for the salaries and other expenditure relating to the office of the Director, National Savings and his staff. The Finance Department explained that saving was due to the fact that several posts of several officers remained vacant for one reason or the other. It was represented on behalf of that Department that the expenditure under this Head was controlled both by the Central and Provincial Governments and even if there was provision in the budget of the Province, the Central Government did not sometimes approve of it, and the result was savings. The Committee recommends that to avoid the re-occurrence of such savings, the question of policy should be re-examined in detail and decided by Government.

(iv) Page 3, para. 5 read with page 216—Grant No. 40—Miscellaneous, Head J—3—Village Agricultural and Industrial Development Department,

	Rs.
Original grant	2,75,33,500
Surrender	45,05,052
Final grant	2,30,28,448
Expenditure	1,47,11,741
Saving	83,16,707

Under this sub-head out of a sum of Rs. 2,30,28,448 a sum of Rs. 6,60,000 was provided for the Audio-Visual Unit of the Village Aid Administration but sanction for the expenditure of Rs. 1,00,900 only was accorded to by the Finance Department which led to the surrender of the remaining amount. The Committee wanted to examine whether this surrender was due to the laxity of the Administrative Department who asked for the sanction of Rs. 1,00,900 only and, therefore, was given sanction for that amount or was this on account of some other factor and that although they had asked for entire amount to be released, yet the Finance Department had accorded sanction only for Rs. 1,00,900. The contention of the Administrative Department was that although there was a provision of Rs. 6,60,000, the amount which was finally approved by the Central Government for the Scheme was Rs. 2,15,000 and this was due to the fact that the original estimates were later found out to be exaggerated, and therefore, the Administrative Department asked for the sanction of Rs. 2,15,000 which had been finally sanctioned by the Central Government, but the Finance Department accorded sanction only for Rs. 1,00,900. It was stated on behalf of the Finance Department that this might have been done on account of the fact that sanction of the Central Government came late and; therefore it was considered proper to curtail the amount, or there might be some other factors. According to the Administrative Department sanction of the Central Government was available on 10th October 1958 and the Department had approached the Finance Department for sanction of this amount immediately thereafter. This item related to an important nation-building activity in the Village-Aid Administration and the Committee allowed quite some time to the Finance Department to explain as to why the entire amount required by the Administrative Department was not released. The Committee was not satisfied with the explanation given for withholding this sanction. The Committee draws the attention of the Government to this item for further probe and for taking such action as they consider necessary.

(v) Page 3, para. 5 read with pages 228—29, Grant No. 47—

Loans and Advances,—Head R—Loans and Advances by the Provincial Government—

	Rs.
Modified Grant	10,92,07,940
Expenditure	6,91,37,247
Saving... ..	4,00,70,693

Under this head out of a total saving of Rs. 4,00,70,693 the saving of Rs. 4,86,880 under the sub-head "Taccavi advances for digging open surface wells in non-barrage area" and the saving of Rs. 78,000 under the sub-head advances to cultivators pertained to the Agriculture Department.

The explanation given by the Agriculture Department for the saving of Rs. 4,86,880 was that demands for taccavi for digging wells were less than anticipated. The Director of Agriculture disposed of the objection in the following words :—

"The saving is due to the fact that there was less demand from Zamindars for taking advance for digging open wells".

In the opinion of the Committee this reply was lacunae, because the Department should have given the data on the basis of which they had prepared their estimates, then they should have given the quantum of demand which was processed by them and accepted as genuine and then they should have given some reasons as to why the demand was not forthcoming. In the absence of this data the Committee was not satisfied with the lacunae reply sent by the Director of Agriculture. The Committee came to the conclusion that the Agriculture Department did not sufficiently publicise that they had sufficient funds for digging open surface wells and they did not go out to the people to tell them that if they made applications, the money could be made available to them, for the Committee knew that there was a huge demand for loans for digging open surface wells throughout the countryside in non-barrage areas. The Committee recommend that when funds are set apart for public loans, sufficient publicity should be given to that they may be utilised for the purpose and may not be saved or surrendered for want of utilisation.

As regards the saving of Rs. 78,000 under sub-head "Advances to Cultivators", no explanation was furnished by the Agriculture Department although that Department was asked to explain the position in September 1964. The Agriculture Secretary was requested to attend the meeting of the Standing Committee for oral examination. A Deputy Secretary of the Agriculture Department who attended the meeting stated that the Secretary, Additional Secretary and the Joint Secretaries of the Department were busy in a departmental meeting. He expressed his inability to give any explanation for the saving as he was quite ignorant of the facts. In the opinion of the Committee this was a sad commentary on the working of the Agriculture Department who as pointed out by the Committee earlier also did not co-operate with the Committee and sat idle on Audit remarks. The Committee consider that the obvious position in this case also was that taccavi loans were not made available to cultivators inasmuch as the Department did not perhaps inform the relevant parties to get the amount available to them as an advance on account of the negligence of the Officers in the Agriculture Department. The Committee recommends to Government to take necessary actions against the officers concerned.

7. The Committee scrutinized the following excesses over voted grants during the year under reports :—

Excess over
voted
grants.

Serial No.	Number and title of the grants	Excesses
		Rs.
1	6—Stamps	9,478
2	9—Registration	4,232
3	11—Irrigation Works	99,74,998
4	14—General Administration	5,13,535
5	15—Administration of Justice	1,66,377
6	18—Frontier Regions	66,46,810
7	23—Agriculture	1,57,47,710
8	Department of Supply and Development	1,11,932
9	30—Civil Works	3,53,57,394
10	31—Charges on Public Works Department, Buildings and Roads Establishment	9,92,679
11	35—Electricity Schemes—Capital Expenditure	9,37,52,437
12	38—Payment of Commuted Value of Pensions—Capital Expenditure	26,886
13	46—Advances not bearing interest—Advances Repayable	8,54,757
14	48—Suspense	90,57,45,374

Subject to the specific recommendations hereinafter in this paragraph appearing, the Committee recommends that necessary grants to regularize these excesses over voted grants may be made by the Governor under Article 235 of the Constitution :—

(i) Pages 4-5, para. 8 read with pages 118 to 120, Serial No. 6—

Grant No. 18—Frontier Regions—

			Rs.
Final Grant	..	..	3,89,58,230
Expenditure	..	..	4,56,05,040
Excess	..	..	66,46,810

Under the minor head "B-Works" a sum of Rs. 4,86,340 was granted for the maintenance of non-strategic roads in the Frontier Region. Actually a sum of Rs. 15,82,128 was spent on this venture without obtaining any sanction for the same. The Committee asked the Secretary to Government of West Pakistan, Home Department to find out as to who were the officers who were responsible for incurring an expenditure of Rs. 10,95,788 without sanction so that they should be warned that they should not go in for unauthorised expenditure like this for which there was no cover. The Committee further asked him to place before the Committee any sanction or orders for this work which even though might not be called a very proper and regular sanction but on which a prudent men would act. Secretary, Home Department, stated that as the work relating to Frontier Regions was entrusted to Home Department in 1960 that Department was unable to find out as to how this money was spent without necessary sanction and budget provision. No explanation was, therefore, available before the Committee as to how this irregularity was committed. The committee is of the opinion that the irregularity by itself is very serious and recommends that Government should take suitable action against the officers at fault.

(ii) Serial No. 8, Grant No. Nil. Department of Supply and Development.
Page 5, para. 8 read with page 146. Excess Rs. 1,11,932.

Under this item a sum of Rs. 1,11,932 was spent on a Department called the Directorate of Supplies which was set up a few months before the Revolution for what they called, regulating the supplies of essential commodities in the interest of the consumer. There was no provision in the Budget for this Department. The Committee would like to observe that had it been within the jurisdiction of this Committee to examine the desirability of this Department, the Committee would have had no hesitation in saying that this was one of those vagries of the former politicians which it was necessary to correct by the Revolution which came in 1958. From what the Committee learnt of the working of this Department, while going into this question, left a bad taste in the mouth. What the Committee is concerned with now is that an expenditure was incurred for which there was no grant and it was not regularised subsequently. The Audit Department did well in drawing the attention of the Committee to this expenditure. The Committee would wish to point out that it would be worth while if the moral of the lesson is learnt from this—

(iii) Pages 4-5, para. 8 read with pages 94, Serial No. 4, Grant No. 14—General Administration.

Head C—"Civil Secretariat and Headquarter Establishment—12—Civil Secretariat—12 (1) (m)—Refugees and Rehabilitation Department"—

			Rs.
Original grant	..	..	1,18,710
Surrender	..	..	17,610
Final Grant	..	..	1,01,100
Expenditure	..	..	1,15,517
Excess	..	..	14,417

No explanation for the original surrender of Rs. 17,610 and for the excess expenditure to the extent of Rs. 14,417 was furnished to the Committee by the Department concerned although the Committee at its meeting held on 2nd October, 1963 had asked the Department to do so. The result was that the Committee could not examine (i) whether surrender was justified and the excess expenditure was unavoidable and (ii) whether the excess expenditure was incurred under proper sanction. The Committee recommends that this may be looked into by the Government and necessary action against the officers who failed to furnish any explanation before the Committee may also be taken.

(iv) Page 4, para. 8 read with pages 226-27, Serial No. 13—

Grant No. 46—Advances not bearing interest Advances Repayable—
Advances not bearing interest—Advances repayable—

				Rs.
Final Grant	...	...	...	12,51,600
Expenditure	...	...	...	21,06,357
Excess	...	...	...	8,54,757

Under this head there were savings of Rs. 20,986 (Health Department) and Rs. 17,875 (Agriculture Department) under Sub-head "Advances to Students of Bahawalpur" and excess of Rs. 1,57,333 (Education Department) under Sub-head "Advances to Board of Management Muslim Education Cess Fund". The Departments concerned did not furnish any explanation for these savings and excess. The Committee is constrained to say that it is extremely unfortunate that the Departments concerned unjustifiably withhold the information from the Committee. The Committee recommends to Government to take necessary action against the officers who were responsible for these savings and excess and who failed to furnish any explanation therefor before the Committee.

(v) Page 7, para. 12 (iii), read with page 116, Grant No. 17—Police
Head 29—Police, E—Special Police, Sub-head E-1, E-2, and I

				Rs.
Original Grant	...	...	...	17,35,650
Surrender	...	...	...	1,43,650
Modified Grant	...	...	...	15,92,000
Actual Expenditure	...	...	...	17,86,725
Excess	...	...	...	1,94,725

In this case, the Committee had asked the Home Department to explain as to why the amount was surrendered in excess of saving. The Home Secretary who appeared before the Committee on 24th May 1965 stated that a part of the item related to the Deputy Commissioner, Kalat, but no explanation from the Deputy Commissioner, Kalat, was forthcoming and that in fact the Home Department did not ask the Deputy Commissioner about this matter. The Committee then decided that the Deputy Commissioner, Kalat should appear before the Committee on 28th May 1965, for oral examination.

A Deputy Secretary of the Home Department who attended meeting on 28th May 1965 stated that the correct position was that the Home Department had by a letter, dated 5th March, 1963, called upon the Commissioner of Kalat Division to explain the above surrender and, therefore, the Home Department instead of asking the Deputy Commissioner, Kalat, to appear before the Committee on 28th May 1965 asked the Commissioner, Kalat Division to depute one of the Assistant to the Commissioner to appear before the Committee to explain the matter. He further stated that the Commissioner, Kalat Division was asked to explain the matter because the amount had been placed at the disposal of the Commissioner, Kalat, who in his turn had put the amount at the disposal of the Deputy Commissioners concern-

ned. The Assistant to the Commissioner who appeared before the Committee on 28th May 1965 stated that he came to Quetta on 27th May 1965 when he was given two files, but the references required for disposal of the present case, were not in those files and, therefore, he was not in a position to explain the position satisfactorily. The Deputy Secretary, Home Department could also not given any explanation in the matter.

The Committee regret to point out, that Home Secretary completely failed to cooperate with the Committee in its deliberations. He had made a statement on 24th May 1965 that it was Deputy Commissioner, Kalat, who was supposed to explain the item and he had made a further statement that the Deputy Commissioner, Kalat, was not able to explain it as no intimation had been given to him by the Home Department to explain it. This was not the factual position. As he was absent from the last meeting the Committee could not ask him to clear his position regarding the incorrect statement. The Committee draws the attention of the Government towards this serious laches on the part of the Home Secretary. The Committee further recommends to Government to take appropriate action against the officers who were responsible for the failure of the Home Department to explain the surrender in excess of saving before the Committee.

- (8) (1) The Committee examined following excesses over charged Appropriations—

Excesses
over charged
Appropri-
ation.

Serial No.	Number and title of the Appropriation	Excesses
		Rs.
1	1—Salt	1,41,415
2	14—General Administration	29,474
3	30—Civil Works	2,94,500
4	Public Debt (Discharged)	1,87,90,301

(2) The Committee recommends that necessary grants to regularise these excesses may be made by the Governor under Articles 235 of the Constitution ;

(3) The Committee further recommend that the excess expenditure under head "30-Civil Works" should be regularised by obtaining the Orders of the President raising the limit prescribed under Allowances and Privileges (Governor) Order, 1962.

- (9) (i) Page 14, para. 17-1-(a) (4) 3—Loss of Rs. 12,160 to Government.

Financial
irregulari-
ties—Losses,
etc.

In this case a Superintending Engineer passed an order for the realisation of Rs. 12,160 from a Contractor by way of penalty. He, subsequently, changed this order and reduced the amount to Rs. 1,884. According to the Audit, the original penalty of Rs. 12,160 should have been realised as the Superintending Engineer having no revisionary powers could not change his previous order and reduce the amount. The Committee agrees with the Audit Department and recommends that the Chief Engineer should consider the question whether the balance of the amount should be realised either from the Contractor or from the Officer concerned or it should be written off and submit a report to the Government giving his opinion as to what should be done.

The Committee is cognizant of the fact that there may be cases where the observance of this rule may cause hardship if the Officer concerned does not act judiciously in the first instance but as the Government has got residuary powers to intervene the Committee is sure that Government will necessarily intervene in a matter where a party has been arbitrarily made to suffer. In view of the principle involved and the possibility of recurrence and misuse of these powers by the Superintending Engineers, the Committee recommends the issue of a circular to all Superintending Engineers drawing their attention to the provisions of the contract and very clearly instructing them to take decisions in the first instance very judiciously because thereafter they do not have the power to revise it.

(ii) *Page, 18, para. 17-1-(a) (8) 1-Non-recovery of rent of residential buildings—*The Audit Department had pointed out that no rent was being recovered from the occupants of a number of residential houses since 1955. These houses were allotted by the Principal, Agricultural College at Tando Jam who was also supposed to recover rents therefor but as the buildings were controlled by the Public Works Department, This Department was technically accountable for the recovery of rents. The Principal, Agricultural College, Tando Jam has now issued a certificate to the effect that all the rents have been realized and credited to the correct head. This required verification by the Audit.

Secretary, Communications and Works Department pointed out to the Committee that the system of allotment of houses and collection of rent by the Principal of the Agricultural College, Tando Jam, but making the Public Works Department liable for keeping the accounts therefor created an anomalous situation and he suggested that as the Agriculture Department was using these houses and was also on the spot recovering rents the Agriculture Department should maintain all accounts and if Audit Department make any objection on that account, it should be explained by the Agriculture Department direct.

The Committee is of the view that there should not be any difficulty in this matter if the Secretaries, Communications and Works, Agriculture and Finance Departments and the representatives of the Audit Department sit together, consider the issue and evolve a suitable procedure.

(iii) *Page 18, para. 17-1-(a) (9) 2-Loss on account of setting of cement—*In this case a total quantity of 106,390 bags of cement was indented by an Executive Engineer for the construction of cement roads in the district of Larkana. Out of this quantity about 85,000 bags were used and the remaining bags had been wasted either in transit or by being kept in faulty godowns where they got set into stone. The cost of the loss is estimated at Rs. 1,88,181. There was a Board of Enquiry in this case presided over by a Superintending Engineer, who had given a 3½ pages typewritten report. According to it the cement could not be utilized in the construction as the specification of roads was changed. It was quite reasonable to expect that after this quantity had become surplus, it would have been sold off or utilized for some other work, but the Executive Engineer migrated to India and every body forgot about the cement and it was allowed to remain in the godowns of the railways till it became completely useless. This is a scandal which had remained on the Audit record for a long time. Now it is time that it should be settled. The Department has initiated action for writing off of this amount which the Committee consider to be the only proper course.

(iv) *Page 30, Para. 17-1-(a) (29)—Infructuous Expenditure—*In a Division, 40 Vicker Tractors were purchased in June 1957, at a total cost of Rs. 63,30, 533 excluding inland freight, custom clearance and erection charges. These tractors, started giving trouble from the very beginning and before they could complete the guaranteed 1,000 hours operation they started tripping off one by one and were lined up for major repairs. A Committee appointed by the Chief Engineer, Irrigation to investigate into the causes of the failure of Vicker Tractors unanimously attributed the failure to their inherent defects and their having been designed only for cold countries having very little dust problems as compared to Pakistan. On the Committee's

report the supplier had agreed to undertake the repairs of these tractors. However, instead of using their own spare parts in the repairs, the suppliers consumed parts worth Rs. 66,882 belonging to the Department. The cost of spares used as such was therefore recoverable from the firm. The wastage of foreign exchange worth Rs. 64 lakhs in purchasing the Vicker Tractors which were never tested before on Pakistan soil and non-recovery of the cost of spare parts Rs. 66,882 used by the supplier in their subsequent repairs was pointed out by the Audit Department in February 1959 at the time of local inspection and reported to Government in June 1959 but no action to recover the amount either from the firm or from the indenting authority for the purchase was taken.

At its meeting held on 19th February 1965, the Committee wanted to (i) examine the officers who took a risk in ordering for a machine, for such huge amount, which had not been tried before, (ii) know the name of the firm on which this order was placed, the relationship between the firm and the indenting officers and the reason for which this order was placed. The Committee also desired to examine the files and records of this case. As neither the indenting officer was present in the meeting for examination by the Committee nor the documents including the indent were available with the Secretary, Irrigation and Power Department, the Committee asked him to produce all the necessary documents before the Committee at its next meeting.

At the meeting held on 27th May 1965, the Secretary, Irrigation and Power Department, stated that he had brought some of the files for examination by the Committee. As the Committee could not go through all those files in this meeting and take a decision, the Committee decided that files should be examined by the Director Audit and Accounts (Works) and the Irrigation and Power Department should place the matter before the next Committee when it considers the accounts for the year 1959-60.

The Committee would like to observe that it would be advisable for the purchasing department, while placing orders for such machines to strictly adhere to the requirement of the indenting Department which was supposed to use machines because after all the Department which was to use machines knew something about the machines knew its own requirements and its responsibility for the maintenance of the machines while they were being run. The Department could therefore be held responsible if they indented for a particular machine if after the machine was supplied to them it did not work.

(e) *Page 35, para. 17.I—(C)—Item No. 10—Embezzlement of Cash*—A sum of Rs. 55,052 was misappropriated by an official in an institution of the Health Department, by fraudulently increasing the amounts in the fair copies of the contingent bills and consequently drawing excessive amounts. The amounts of fees realised from the students were not credited by him into treasury, and the amounts shown to have been paid in the cash book were not supported by the payee receipts. The accused was suspended with effect from 23rd September 1949, and a case was instituted against him in a Court of Law. During this trial the cash book, contingent register, original vouchers, etc., exhibited in the case were stolen from the court room. The theft of record was reported to the local police. The case remained under investigation for about one year and was declared untraced by Police in July 1955. Due to loss of record and lack of documentary evidence, the accused was discharged. He was re-instated with effect from 22nd February 1955. The loss of Rs. 55,052 has been written off.

Lt.-Col. Rafique A. Khan, A.M.C., was appointed to make the enquiry but he showed his inability to proceed in the matter due to non-availability of the relevant record with the result that no departmental action was taken. The Committee is altogether dissatisfied with the way in which this matter had been handled by the Health Department. The Committee is of the opinion that in this case there appears to be a manifest conspiracy to shield the accused. The Committee would like to observe that the degree of proof that is necessary for departmental proceedings is quite different from the degree of proof that would be necessary for conviction in a court of law. In this case the evidence that was available from the Officers who were serving

in the Department and others was not collected and the evidence was not sifted and the accused was re-instated which would at once be a living monument of encouragement for all persons inclined to corruption. In the opinion of the Committee it is of the utmost importance that in this case and in all cases of embezzlement and defalcation a higher degree of vigilance and diligence should be exercised by the higher officers than what has been done in this case. The Committee, therefore, recommends to Government to take such action against the defaulting officer as it may consider fit and to consider the desirability of charge-sheeting him and removing him from service.

(vi) Page 35, para. 17-1—(C)—Item No. 11—Loss due to rescission of contract Rs. 9,775—In this case Toria Oil at the rate of Rs. 56-120 per maund was to be purchased for supply to various jails. The drums, which were to contain this oil were to be supplied by the Jail Department within 1½ months from the date of approval of advance sample. According to the Audit the Jail authorities had failed to supply the empty drums to the contractors within the stipulated period as a result of which the contractor did not supply the Toria Oil at the stipulated rate of Rs. 56-12-0 per maund, and an excess amount of Rs. 9,775 had to be incurred on the purchase of this oil from the open market.

At the meeting of the Committee held on 28th September 1964 the stand taken by the Home Secretary was that the Jail authorities had supplied the drums within the stipulated period but the contractor failed to supply the oil, and returned the drums on the plea that they had made an application for the cancellation of this contract. The Home Secretary further stated that the Jail authorities had apprised the Stores Purchase Department that the contractor had failed to supply the Oil. The Committee then desired to know as to what action had been taken against the contractor and the officers who might be responsible for this loss to Government. At the meeting held on 23rd November 1964, Secretary Industries Department produced records to show that the intimation regarding approval from the Jail authorities was received on 9th January 1957, and therefore, the last date for the supply of drums was 24th February 1957, but the Jhelum Jail authorities wrote a letter dated 20th June 1957, to the oil supplying firm stating that they had despatched the necessary drums,—vide their letter dated 4th April 1957. From this record it is obvious that the drums were not supplied within the stipulated time.

The Committee is, therefore, of the opinion that the Jail authorities were squarely responsible for not having supplied the drums as a result of which there was a loss of Rs. 9,775 and recommends to Government to recover the loss from the officers concerned.

(vii) Page 236, Item No. 18—Embezzlement of Government Material—One Mr. Ehsan Ullah, an Assistant Sub-Divisional Clerk in Gujrat Provincial Sub-Division, utilized a cheque book issued to Mr. S.M. Akhtar, Sub-Divisional Officer and by making forged entries took out a sum of Rs. 10,000. He was prosecuted but having been acquitted on some technical ground, he was reinstated. No departmental action was taken against him by the Department. Secretary, Communications and Works Department and the Chief Engineer, Lahore, Region, who appeared before the Committee were of the view that disciplinary departmental action should be taken. The Committee agree with them and recommend that severe disciplinary action be taken against the Clerk and the amount in question should be realized from him.

The Committee was informed that the Sub-Divisional Officer has been charge-sheeted for not keeping the cheque book in a safe custody. The Committee is of the view that the Sub-Divisional Officer is only guilty, if expression 'guilty' can be used in this case at all of allowing his clerk access to his cheque book but as the Clerk was directly subordinate to the Sub-Divisional Officer and he was handling all papers, the Sub-Divisional Officer would not appear to be guilty.

(viii) Page 239, S. No. 28, Item (i) and (ii)—*Unfinalised Cases*—Rs. 8,500 and Rs. 1,765 was paid by the Thatta Khairpur Treasuries respectively on forged bills. The attention of the Services and General Administration Department was drawn to this aspect of wrong payments by the Audit Department in the year 1959. From the explanation submitted by the Services and General Administration Department to the Committee earlier it appeared that no action whatsoever had been taken up till then with respect to the payment of Rs. 8,500 by the Thatta Treasury. The Deputy Secretary, Services and General Administration Department, then stated before the Committee that as the control of the Treasuries had by then been made over to the Finance Department, the Services and General Administration Department was no longer responsible. The Deputy Secretary, Finance Department, stated that the Finance Department was not responsible and that the responsibility was that of the Commissioner. The Committee had to observe that it was a pity that the Administrative Secretary failed to take any action in the matter and even before the Committee stage there was an amount of fiddling as to who had to take action and whose responsibility it was to take necessary action. The Committee had to point out that it was not only the officers of lower rank who were responsible, in such case but the Secretaries and the Heads of Department were also responsible for this extreme mis-management.

At a subsequent meeting the Committee was informed by the Finance Department that as a result of a preliminary inquiry the Treasury Officer and Clerks of the Thatta Treasury have been charge sheeted for wrong payment of Rs. 8,500. As regards the wrong payment of Rs. 1,765 from Khairpur Treasury, a sum of Rs. 882-50 has been recovered from the Treasury Officer and the Cashier concerned and departmental proceedings for the recovery of the balance from the Accountant were continuing. The Committee hopes that the proceedings in these cases will be finalized without any delay.

(ix) Page 30, para. 17 (a) (27)—This is a case where Rs. 20 lakhs in foreign exchange were spent on faulty spares but only junk was received when the consignment was opened. Member (Finance) WAPDA informed the Committee that the matter was under enquiry and that some Officers were examined by a Commission, and the matter was being taken up in Washington Court on or about the 24th of May and the results were awaited.

(x) Page 27, para. 17 (a) (20)—*Serial No. 2—Undue financial aid to the Contractor*—In this case the Audit Department reported—

“A contractor started a work estimated to cost Rs. 1,29,375 on 1st January 1957, but could not complete it in time and subsequently extension was granted to him up to 31st May 1958 by the competent authority with orders, to enforce the penalty at 10 per cent of the estimated cost. The contractor failed to complete the work during the extended period. A sum of Rs. 12,938 became recoverable from the contractor against which an amount of Rs. 4,565 was recovered and even that amount was subsequently refunded to the contractor by the Divisional Officer with the concurrence of the Superintending Engineer and instead a token fine of Rs. 100 was imposed on the contractor in contravention of the earlier orders of the higher authority. The action of the Executive Engineer and the Superintending Engineer was irregular. The irregularity was pointed out in December 1958 but neither any recovery has been effected from the contractor nor any disciplinary action taken against the officials responsible for the irregularity.”

The Irrigation and Power Department very strenuously tried to maintain before the Committee that in fact no order levying the penalty was passed by any Officer and that the amount was originally withheld as a normal deduction from the bill of the contractor and ultimately when the final bill was prepared the penalty of Rs. 100 was levied and the rest of the amount was refunded. But the Department

could not produce any scrap of paper to show how this amount was (a) deducted from the bill of the contractor as a normal procedure or (b) realised as a penalty. The Committee was of the view that as the documents were in the possession of the Department, the responsibility lies on the Department to produce them to rebut the Audit objections which was brought to the notice of the Department in December 1958. Director, Audit and Accounts placed before the Committee Letter No. SAC/D-39-(a) 4420, dated 14th October 1961, from Mr. S. M. Shaikh, Executive Engineer Begari Canal Division to the Director, Audit and Accounts, wherein it was clearly stated that one Mr. U. W. Qureshi, who was then Superintending Engineer Northern Sind Circle had passed the order in question and the amount was realised towards penalty. This reply was given by the Executive Engineer in reply to a quarry from the Director, Audit and Accounts to explain the nature of this realisation, namely, whether it was a deduction or a penalty. The Irrigation and Power Department could not satisfactorily explain the position of the Department although the Committee gave an amount of time and attention to this item which was quite disproportionate to the importance of the item. At the end it was decided that the Secretary, Irrigation Department should look into this matter in consultation with the Director, Audit and Accounts and if the document showed that the amount was originally deducted as penalty and was subsequently revised he would take disciplinary action against the Officer concerned.

Government
Invest-
ments.

10. (1) The amount of capital invested by the Government of West Pakistan in various undertakings during the year 1958-59 and to the end of year 1958-59 are given below :—

Name of Industries	Amount invested dur- ing the year 1958-59	Up-to-date amount invested
	Rs.	Rs.
1. Provincial Road Transport Board ...	...	3,61,91,652
2. Small Scale Cottage Industries Corporation ...	...	10,10,000
3. Panjnad Sugar Mills Ltd., Khanpur ...	...	17,50,000
4. Charsada Sugar Mills Ltd. ...	...	8,00,000
5. Rural Credit Societies ...	8,00,000	15,00,000
6. Agricultural Bank of Pakistan ...	25,00,000	50,00,000
Total ...	33,00,000	4,62,51,652

(2) The Committee called for the details of the profits earned by Government on investments in these undertaking together with a statement on what were the prospects of profits in this investment and whether it would be advisable to continue investment in these undertakings. The detail of the examination conducted by the Committee can be had by going through the proceedings. Three cases which require the attention of the Government are given below :—

(i) *Road Transport Corporation*—So far as the investment on the Road Transport is concerned the Chairman, Road Transport Corporation, furnished the detail of the investments made and profits earned, the degree of efficiency of the Road Transport service and the desirability and advisability of extending the operation of the Road Transport Service further in view of its high level of efficiency compared to the operation conducted by private operators. The net profits earned by it amount approximately to about 12·4 per cent. It compares very favourably with other commercial Organisations run by the Government. The Committee was very favourably struck by the information supplied by the Chairman of the Road Transport Corporation. The Committee would like to observe that had it been within the purview of P.A.C.'s jurisdiction, the Committee would have strongly recommended for immediate extension of these services to other areas where the Road Transport Corporation Service is not operating at present. The Committee found that on the top of giving extra facilities to their employees, running an organisation with the limitations with which a Government runs an organisation, their performance is such that their service is invariably preferred by the travelling public and when they are able to show the results by way of profit and efficiency, there does not appear to be any reason, it is not inconsistent with Government policy, why the operation of these services should not be extended further. The extension would certainly entail expenditure by Government. It is, therefore, for the Government to take a decision in the matter but considering the fact that this expenditure is badly needed, the Committee recommends the extension. The attention of the Committee was drawn to the fact that sitting as the Public Accounts Committee, the policy making arena is not within its jurisdiction with which the Committee fully agrees, but the above remarks that have been made and which are based on the facts as they came to the notice of the Committees deliberations, the Committee has put on record so that if Government at any time examines this proposition, it may avail of the impressions that the Committee found by examining the working of the Road Transport Corporation in detail in connection with the scrutiny of the accounts of this Department.

(ii) *Rural Credit Societies*—Under this head there is an investment of Rs. 15 lakhs. The Committee was informed that this amount was advanced to the Punjab Provincial Co-operative Bank who have issued shares of the value of Rs.15 lakhs to Government but Government has not received anything by way of dividend or profits.

The Committee was further informed that this amount was made available to the Bank as interest-free loan, and it was utilised by the Bank for the purpose of making interest-free advances to societies. Further that the Bank had declared dividends for some years, but while preparing the balance-sheet for the purpose of declaration of dividend, the Bank discounted the sum of Rs.15 lakhs advanced by Government and declared dividend on the balance of the shares of the Bank, and thus no question of dividend to Government was involved.

The Committee considered the question whether the principal amount should be returned by the Bank to Government, and for this purpose even if no provision was made at the time of making this grant, a provision could be made now and a scheme formulated. The Member Co-operative Development Board suggested that instead of a scheme for the return of the principal amount to Government, it would be more just and equitable and helpful to the Bank, which consists of a small society, if a small interest on this amount or alternatively dividend is made payable on the shares, which have been issued to Government, by the Bank. As this is a matter where Government money is involved and the present question was not examined by the Government earlier, the Committee recommends that the Finance Department may examine the question and consider the desirability of one or the other of the alternatives suggested by the Department either for the return of the capital for the utilisation in such a manner that the Government gets a dividend.

(iii) *Agriculture Bank of Pakistan*—In respect of the investment made, in the Agricultural Bank the Committee was informed that the Bank has issued shares worth Rs. 50 lakhs to Government but no dividend on profits made by the Bank

is paid to Government. The Committee recommends that the Finance Department should consider the desirability of the return of this capital also or alternatively of the payment of dividend against this investment.

Financial
Review of
Ghulam
Muhammad
Barrage.

11. (1) The construction of Ghulam Muhammad Barrage was started in 1947 at an estimated cost of Rs. 21,04,78,500 spread over a period of 13 years from 1947-48 to 1960. The original estimate was subsequently revised to Rs. 24,00,90,475 in 1951, Rs. 35,01,67,610 in 1956 and finally Rs. 39,10,40,570 in 1959-60. These revision of estimates were due to the change in the design of the Barrage and the increase in cost of construction by twenty per cent.

(2) In the Project estimate prepared in 1946-47 the Project was stated to be unproductive but in the revised estimates of 1951, 1956 and 1959-60 it was declared to be productive. In the revised estimate of 1959-60 the probable financial return from the Project was worked out as 4.34 per cent in 1963, 6.23 per cent in 1966, 7.33 per cent in 1969 and 9.32 per cent in 1975. According to the Financial Forecast of 1959-60 Rs. 2.33 crores was the estimated increase in revenue up to 30th June 1960.

(3) The audit objection was that the forecast of revenue receipt could not be examined by the Audit as the Revenue Department failed to furnish the figures of actual increase in revenue receipts and as such the Audit could not say whether the Project was productive.

(4) The data supplied by the Revenue Department revealed that the net increase in revenue receipts occasioned by the Ghulam Muhammad Barrage was Rs. 1,07,49,903 for the relevant years. According to the Department the excess of Rs. 73 lakhs and odd was due to a mistake at the stage of preparation of the third revised financial forecast which was begun in 1958-59 and completed in 1959-60. The position of revenue levied in the Region in question in the year 1956-57 and 1958-59 was that a sum of Rs. 6.25 as average was realised per acre as composite revenue and Abiana charged. This was increased in the year 1958-59 to a sum of Rs. 10.50 per acre as an average, the break up being that land revenue was charged at an average rate of Rs. 2.70 per acre and abiana was charged at the rate of 7.80 per acre. The mistake that was committed in the first place was that while preparing the 3rd revised financial forecast instead of collecting actual revenue receipts for the year 1956-57 and 1958-59 the Department based calculations on the average rate prevailing in 1959-60, i. e., Rs. 10.50 per acre. This resulted in inflating the forecast to the tune of Rs. 73,78,000 in excess of what it could have otherwise been, if the actuals for the year 1956-57 and 1958-59 and the rates of revenue and abiana at the average rate of the 10.50 for the year 1959-60 would have been considered. It was also stated that a sum of Rs. one crore and seven lakhs of rupees had been realised, and that besides this amount, the Department had to collect Rs. 46,50,000 from the Karachi Development Authority which, if collected, would very nearly complete the remaining figure of one crore and sixty lakhs which is the balance of the total forecast amounting to Rs. 2,33,17,000 minus Rs. 73 lakhs to be discounted for the mistake pointed above. The actual expenditure incurred in the Ghulam Muhammad Barrage scheme up to the year 1959-60 is said to be Rs. 24,92,39,030. After that, there was a revised estimate of a further sum of Rs. 21 crore thus inflating the total capital expenditure to Rs. 45 crore. Interest payable on the sum of Rs. 24 crore at the rate of 4 per cent comes to Rs. 96 lakhs per year and similarly the interest payable for the remaining Rs. 21 crores at the rate of 4 per cent come to Rs. 84 lakhs. Assuming that the amount outstanding against the Karachi Development Authority was collected, the receipts from this scheme would roughly amount to Rs. 31 lakhs annually as at present against the interest of Rs. 96 lakhs annually.

(5) The Committee was of the view that *Prima facie*, looking at the Project from the point of view of a scheme calculated to increase the revenue of the State it would appear to have completely failed to justify the expectations. It was pointed out on behalf of the Revenue Department that the revenue earning capacity of the scheme should not be assessed at present because it was likely to increase in the future. It was further pointed out that an Irrigation Scheme normally becomes

a paying scheme ten years after it is completed and looked at it from that point of view it was premature to judge its earning capacity at present. The Committee also felt that the utility of a scheme of the nature of a Barrage could not be judged purely from the point of view of the revenue that it was going to bring to the State Exchequer because the utility of a Barrage for national prosperity is multisided and a very small part of it relate to the bringing of revenue to the exchequer; it leads to the prosperity of the State as a whole because a large number of people are put on the job to do work in several spheres of life and prosperity of the people acts and reacts; therefore, the scheme pays to national prosperity in innumerable ways which perhaps cannot always be couched in terms of revenue that they bring to the State exchequer. The Committee was fully cognizant of this aspect in a Barrage scheme but nevertheless the question as to how it was reacting so far and the revenue it was bringing for the investment which has been made could never be lost sight of and there must be some reasonable relation between the investment made and actual revenue receipts. In the opinion of the Committee the present disparity was excessive and the Department should be conscious, if they were not already conscious that full advantages of the land scheme were not being utilized and not being harnessed or there were some other bottle-necks somewhere as a result of which receipts were so low as compared to what they should be.

(6) Committee's attention was drawn to the fact that while the project was still not complete, very ugly problem of waterlogging and salinity has shown its face and while more acres were being brought under the plough by utilising the water available from the project large chunks of land were either going out of cultivation or were likely to go out of cultivation on account of water logging and salinity. It was pointed out that the water-table in this area was beyond 20 feet of the ground level formerly and now it ranged from 5 to 8 feet. In the opinion of the Committee, this was very serious problem and the most important aspect towards which Government should give its immediate attention otherwise the whole scheme of the Barrage would go to dogs and would be completely ruined if immediate steps were not taken to reduce the water-table and to check waterlogging and a salinity. The Committee felt that the Committee had neither the ways nor the technical know how to suggest as to how it could be done but the Committee felt sure that it could be done in a workable manner and the Committee stressed that this was to be done and should be treated as a must. Mr. M. H. Soofi, Member, Board of Revenue informed the Committee that in fact, the Department was apprised of the problem and in view of the seriousness of the problem the Agricultural Development Corporation prepared a scheme involving a sum of Rs. 15 crores by which the water-table was to be reduced by digging canals to drain off the water to the ocean. The Member (Finance) Agricultural Development Corporation pointed out that in spite of the seriousness of the question and in spite of the fact that a sum of Rs. 45 crores already invested was in jeopardy and a huge area of land was going to be reduced to a marshy tract, the Finance Department allowed a sum of Rs. 1,06,00,000 only in this year and in the coming years it might be not more than Rs. 2 crores whereas the project demanded that a sum of Rs. 3 crores at least should be given each year for five years so that this might be completed and the huge amount of money already invested is saved thereby protecting a huge area of land turning into marsh. The Committee was simply appalled to know that the Finance Department had not been made sufficiently alert to realise the significance of the dire results which would accrue because of any stinginess or want of foresight in this direction and observed that this was one of those projects where the provision of drainage was a must and should be made without delay because if it was undertaken some time after, the mischief would have been done and the loss to the nation would have accrued and whosoever might be responsible for it would be a very sad man to know that if he had been a little more alert he could have perhaps stopped this catastrophe. Mr. Asif Rahim, Additional Secretary, Finance, at this stage pointed out that the Finance Department had its own difficulties and the difficulties were of providing different departments within the limited resources available to the State and each Department was coming up with its own demands. Therefore, with the best imagination and perhaps with a

desire to help also, in some cases, it becomes difficult to allocate the amount that was required by the Department. The Committee is fully alive to the difficulties inherent in providing for finances but would like to point out that if the question of waterlogging and salinity was not tackled, and tackled immediately, then unfortunately nothing would remain to be tackled and therefore, it is necessary that the Finance Department should examine and re-examine the question and provide the funds that were necessary, for implementing the drainage scheme in this case. The Committee recommend that a copy of these proceedings be placed before the Government for consideration while allocating priority by the Department concerned and by the Finance Department.

**Commercial
Accounts.**

12. (1) Accounts of the following organizations were required to be maintained in commercial form with effect from the dates mentioned against each and published in the compilation entitled "Government of West Pakistan Commercial Accounts and Audit Report". The list includes a number of Organisations taken over by the Government of West Pakistan, due to transfer to it, of the Control of Centrally Administered Province of Baluchistan with effect from 14th October 1955:—

- (i) Government Demonstration Weaving Factory, Shahdara (1st April 1956).
- (ii) Sales and Display Depot, Lahore (1st April 1956).
- (iii) Virginia Tobacco Redrying Factory, Khairpur (1st April 1955).
- (iv) Government Tannery, Shahdara (In Liquidation) (1st January 1956).
- (v) Punjab Government Cotton Mills, Lahore (In Liquidation) (1st April 1955).
- (vi) Government Jallo Rosin and Turpentine Factory, Lahore (1st April 1956).
- (vii) Shisham Exploitation Scheme in Mardan District (1st April 1956).
- (viii) Scheme for exploitation of Ephedra Plant in Quetta Region (1st April 1956).
- (ix) Mechanical Cultivation Scheme in Quetta Region (1st April 1956).
- (x) Agriculture Workshop, Tando Jam (15th August 1947).
- (xi) Cold Storage at Baghbanpura (Lahore) and Sialkot (1st April 1951).
- (xii) Electricity Schemes in Peshawar and Dera Ismail Khan Divisions (1st April 1955).
- (xiii) Mughalpura Irrigation Workshops Division, Mughalpura (Lahore) (15th August 1947).
- (xiv) General and Steel Mills, Mughalpura (Lahore) (9th January 1948 to 31st March 1950).
- (xv) Excise and Salt Department, Lahore (1st April 1956).
- (xvi) Government Owned Salt Stores at Saran (1st April 1956).
- (xvii) Opium and Alkaloids Factory, Lahore (1st April 1956).
- (xviii) Provincial Stationary Office, Lahore (1st April 1956).
- (xix) Auxiliary Goods Service, Lahore (In Liquidation) (1st April 1953).
- (xx) Government Transport, Khairpur (1st January 1955).

(2) Of these organisations, the accounts of the following organisations could not be incorporated in the compilation under examination for the reasons mentioned in para. 18 of the compilation which is reproduced below:—

Paragraph 18—

- (i) Virginia Tobacco Redrying Factory, Khairpur, 1955-56 to 1958-59.
- (ii) Government Demonstration Weaving Factory, Shahdara, 1958-59.
- (iii) Sales and Display Depot, Lahore, 1958-59.

- (iv) Punjab Government Cotton Mills, Lahore (In Liquidation), 1958-59.
- (v) Shisham Exploitation Scheme in Mardan District, 1958-59.
- (vi) Government Jallo Rosin and Turpentine Factory, Lahore, 1958-59.
- (vii) Scheme for Exploitation of Ephedra Plant in Quetta Region, 1958-59.
- (viii) Mechanical Cultivation Scheme in Quetta Region, 1956-57 to 1958-59.
- (ix) Agricultural Engineering Workshop, Tando Jam, 1947-48 to 1958-59.
- (x) Cold Storage at Baghbanpura (Lahore) and Sialkot, 1951-52 to 1958-59.
- (xi) Electricity Schemes in Peshawar and Dera Ismail Khan Divisions, 1955-56 to 1958-59.
- (xii) Mughalpura Irrigation Workshops Division, Mughalpura (Lahore)-1957-58 and 1958-59.
- (xiii) General and Steel Mills, Mughalpura (Lahore), 9th January 1948 to 31st March 1950.
- (xiv) Excise and Salt Department, Lahore, 1957-58 and 1958-59.
- (xv) Government Owned Salt Stores at Saran, 1956-57 to 1958-59.
- (xvi) Opium and Alkaloids Factory, Lahore, 1958-59.
- (xvii) Auxiliary Goods Service, Lahore (In Liquidation), 1955-56 to 1958-59.
- (xviii) Government Transport, Khairpur, 1957 and 1st January 1958 to 31st August 1958.

(3) The Administrative Departments concerned were asked to furnish explanations for delay in the preparation/compilation of accounts of 18 organisations referred to in clause (2) above. Explanations furnished by the Departments were found to be satisfactory. One of the reasons for the delay in the preparation of accounts was that the Department did not have the staff conversant with the preparation of accounts in Commercial form. The Departments have now either obtained the services of person trained in the preparation of Commercial Accounts or deputed officials from their Department for this training. The Committee hopes that the preparation of accounts will not be delayed in future.

(4) This compilation also contains 16 Accounts of the various units of the former Punjab Road Transport Board and 1 Account of the former Sind Road Transport Board whose Audit was assumed by the Comptroller and Auditor-General of Pakistan on a consent basis :—

- (i) Punjab Road Transport Board (1956-57).
- (ii) Punjab Road Transport Board Headquarters Office (1956-57).
- (iii) Punjab Road Transport Board Central Stores, Lahore (1955-56, 1956-57).
- (iv) Lahore Omnibus Service, Lahore (1956-57).
- (v) Punjab Transport Service, Rawalpindi (1956-57).
- (vi) Punjab Transport Service, Lyallpur (1956-57).
- (vii) Punjab Transport Service, Dera Ghazi Khan (1956-57).
- (viii) Punjab Road Transport Board, Body Building Workshop, Lahore (1956-57).
- (ix) Punjab Road Transport Board, Lahore (Consolidated Accounts).
- (x) Punjab Road Transport Board, Lahore (Headquarters office).
- (xi) Punjab Road Transport Board Central Stores, Lahore.
- (xii) Lahore Omni Bus Service, Lahore (1st April 1956 to 14th October 1957).
- (xiii) Punjab Transport Service, Rawalpindi (14th October 1957 to 31st March 1957).

- (xiv) Punjab Transport Service, Lyallpur.
- (xv) Punjab Transport Service, Dera Ghazi Khan, (1st April 1957 to 14th October 1957).
- (xvi) Punjab Road Transport Board Body Building Workshop, Lahore. (1st April 1957 to 14th October 1957).
- (xvii) Sind Road Transport Board, Hyderabad (1st April 1957 to 14th October 1957).

(5) The Committee examined the explanations of the Departments in respect of the financial irregularities pointed out in this compilation. The Committee also examined the explanations of the Department in respect of some of the irregularities mentioned in the compilation for 1957-58, the examination of which could not be finalized before submission of Committee's report to the Assembly in respect of that year.

(6) Detailed accounts of the examination referred to in clauses (3) and (5) above will be found in the proceedings of the Committee, dated 28th April 1964, 15th and 20th February and 21st May 1965.

(7) The Committee would like to mention the following three irregularities—

- (i) *Page 351, para. 306 of Accounts for 1957-58 Issue of spare parts*—This para. relates to stores being issued to Sister Services which were not billed for and no records of job cards, old parts, disposal or repair register were maintained. The initial explanation of the R. T. C. was that there were heavy rains in 1955 and some portion of the Record Room was submerged which destroyed the record. The Director, Commercial Audit, stated that it appeared during the audit inspections that identical parts had been issued to buses repeatedly on several times, which led to the suspicion that there was some thing hanky panky, and particularly when the job cards, old parts disposal or repair registers were not available. The Committee pointed out to the Chairman R. T. C. that the story of the obliging rains, even if correct, did not explain the entire position, that although the value of these goods was not known to the Committee, the principle involved was serious enough; that this was a fit case where every effort should be made by the R. T. C. to fix responsibility and meet out adequate punishment. The Chairman, R. T. C. assured the Committee that he would take necessary steps in this direction and report the action taken to the Committee in its next meeting. When the matter was considered again by the Committee, the Chairman, R. T. C. explained that in the year 1955-56 the total spare parts consumed were of the value of Rs. 4,95,339 which almost doubled up to Rs. 7,65,766 in the year 1956-57; that in the year 1955-56 the number of total fleet was 179 and in the year 1956-57 the number of fleet increased to 221—thereby there was an increase of 25 per cent in the fleet but the overall increase in the use of spare parts was 90 per cent. As there was an overall increase of nearly ninety per cent in the use of spareparts the Committee proceeded to examine how that had happened. It was stated on behalf of the Department that the spareparts might have been needed on account of more buses or on account of the fact that old buses needed more spareparts because as they grow old they need more spareparts but this phenomenal increase might also be due to lack of proper supervision in the issue of spareparts. The Director, Commercial Audit, pointed out several cases where some spare parts had been issued to one bus several times within a very short period which might mean that either in spite of the best care these spare parts were needed or proper care was not taken at the stage of repairs and these spare

parts were issued without any necessity. The Committee did not consider it necessary to call upon the Chairman, R. T. C. to go into an investigation as to how these spare parts were issued and who was responsible for the issue of the spare parts because the amount of labour and compilation involved would be too great. The Committee however pointed out that the moral of the lesson, was important and it was that in a big Department like this there was the necessity of a stricter control and more vigilant supervision in the issue of spare parts so that valuable material was not misused or swindled away. The Chairman, R. T. C. assured that he was himself very cognizant of that fact and in fact he has now, on the lines of certain previous instructions adopted a method of keeping a register of spare parts for each bus from which it will be very easy to find out that spare parts have been issued and when and under what circumstances, and, therefore, every time a spare parts is required supervisory interest can be brought to bear on it so that there is no waste. The Committee hopes that strict supervision all along the line will in future be maintained in the use of spare parts.

- (ii) *Page 81, para. 82 of the Commercial Accounts for 1958-59—Writing off the loss of Rs. 43,500*—This is a case where a brand new bus worth Rs. 43,500 was burnt down after having been used only for 23 days. Some time after the accident the driver of the bus made a report at the police station in which he stated that the whole bus including the engine had been completely burnt down and the cause of the fire as alleged by him was that somebody had thrown a burning stub of cigarette on the roof of the bus. He had also stated in that report that as water was not available he tried to extinguish the fire by throwing sand on the burning part of the bus but it was of no avail and the bus was burnt down. Some time afterwards the technical officer of the organisation was sent out to enquire into the case of the fire, to assess the damage and to give a full report on the case of the fire and the extent of damage done to the bus. He reported that the engine and the gear box were completely in order and he experimented it by having the engine started and it started immediately. He found that there was a loss of Rs. 17 to 18 thousand which according to him would be cost of repairs and the re-building of the body. But the whole amount of Rs. 43,500 which means that the entire value was written off. The Chairman, Road Transport Corporation was unable to explain the reasons for writing off of the entire amount. The Committee was not satisfied with the way in which enquiry was conducted and the complacent manner in which the then Chairman just wrote "I agree with the report of the technical officer and thereby dropped the incident as closed" because it was obvious that the fire fighting equipment was not used and those who were responsible for not using it should have been taken to task. It was also obvious that the driver gave a false report to the police when he said that the engine also has been completely burnt down. The incident happened so long ago that it is difficult now to get at things but one is left helplessly guessing in a situation like this that there was something fishy and possibly the new bus was not taken good care of deliberately for some ulterior motive. The Committee directed the Chairman, R. T. C. to look into the matter again and enlighten the Committee as to what are his impressions and that if he came to the conclusion that some persons had bungled, no pains should be spared to punish them. After making necessary inquiries the Chairman, Road Transport Corporation explained

that entire sum of Rs. 43,500 was written off in a meeting with the Audit on whose advice this was done. It was established subsequently that the bus was not a total wreckage because the engine and gear box were safe. This engine and gear box were fitted on bus Nos. DG-4 on 20th February 1960, PBD-94 on 3rd November 1960, and DG-112, on 10th November 1961, respectively, and finally this was declared as unserviceable and deposited in store on 1st March 1962 under slip No. 49946 and sold for Rs. 500'56. He stated that this might not be the actual cost because spare parts of the buses got mixed up with pieces of junk. It meant that the gear box and engine had served for about three year after this incident.

- (iii) *Page 81, para. 83—of the Commercial Accounts for 1958-59—Embezzlement of Stores worth Rs 25,285*—In a certain unit of R. T. C., Stores worth Rs. 25,285 were mis-appropriated by the Head Store Keeper during the period from 13th September, 1958 to March, 1960. This was done by omitting entries of receipt of Stores and showing fictitious issue of stores on Bin Cards. The pilferage came to notice when Store Keeper handed over the charge. The Head Store Keeper was arrested and has been punished by the court. He had furnished fidelity bonds in favour of the Corporation of three Insurance Companies to guard against defalcations of this nature. The Corporation put in its claim against one company and made realisations but it did not proceed to put in claims against the other two companies. The Committee on perusal of a similar fidelity bond placed before it found that the usual provision in the policy is to file the claim within three months from the date of the discovery of fraud and if this was so, the claim against the two companies would appear to be time-barred. The Committee consider this to be a serious matter and recommend that the officer or the officers who have been negligent in not preferring the claims within time should be dealt with severely and made responsible for this loss.

Finance
Accounts.

13. The Committee examined the various sections of the Finance Accounts particularly the Revenue Account. The revenue position of the Government during the year under report was satisfactory. The actual revenue receipts amounted to Rs. 88,09 lacs against the original budget of Rs. 82,96 lacs. The actual revenue expenditure was Rs. 87,83 lacs against the original budget of Rs. 82,37 lacs. These figures reveal increase in revenue of Rs. 5,13 lacs and also in expenditure of Rs. 5,43 lacs with the result that the revenue surplus of Rs. 59 lacs forecast in the original budget was reduced to a surplus of Rs. 26 lacs.

Debt Position—The Public Debt of the undivided Punjab Government at the time of partition, was as follows:—

(i) *Debt due to the Government of India—*

		(In lacs of rupees)
(a) Consolidated Debt	..	7,70
(b) Development Loan	..	4,69
	Total	12,39
(ii) Loan raised in the market	..	19,09
(iii) Interest up to the date of Partition	..	33
	Total	31,81

The above debt has not yet been allocated between the Punjab (P) and Punjab (I) Governments. Pending Financial settlement between the two Governments the initial liability to discharge debt obligations (including the payment of interest) is that of the Punjab (P) Government,—*vide* Article 9 of the Indian Independence (Rights, Property and Liabilities) order, 1947. During the year 1958-59, the debt discharged out of the loans raised in the market amounted to Rs. 56 laes and the repayment to the Government of Pakistan towards the principal of the consolidated debt (Loans from the Central Government) amounted to Rs. 18 laes.

The debt position of the Government of West Pakistan as it stood at the beginning and the close of the year 1958-59 is summarised in the statement below:—
(In thousands of rupees)

Nature of Debt	AMOUNT OF DEBT		Difference (+) (—)
	On 1st April 1958	On 30th June 1959	
	2	3	4
(i) Permanent Debt ..	11,10,11	16,11,58	+5,01,47
(ii) Floating Debt ..	2,90,00	18,00,00	+15,10,00
(iii) Loans from the Central Government ..	1,33,77,09	1,57,20,31	+23,43,22
(iv) Unfunded Debt ..	6,34,08	7,83,26	+1,49,18
Gross total Debt ..	1,54,11,28	1,99,15,15	+45,03,87
Deduct—Outstanding Loans and Advances made by Government.	22,34,80	26,81,23	+4,46,43
Net Debt	1,31,76,48	1,72,33,92	+40,57,44

(i) *Permanent Debt*—3½ % West Pakistan Loan 1965 was raised in the open market during the year and total subscription received amounted to Rs. 5,57,30 (thousand). The total Debt discharged during the year amounted to Rs. 54,83 (thousand).

(ii) *Floating Debt*—The balance of Rs. 18,00,00 (thousands) on 30th June 1959 represents ways and means advances left unpaid at the close of the year.

(iii) *Loans from the Central Government*—The balance on 30th June 1959 represents outstanding loans of Rs. 1,76,26,60 (thousands) taken from the Government of Pakistan reduced by Rs. 19,06,29 (thousands) due to repayment till the end of the year 1958-59. The loans taken during the year 1958-59 from the Government of Pakistan amounted to Rs. 26,10,85 (thousands) and the repayments amounted to Rs. 2,67,63 (thousands).

Loans and Advances—The increase of Rs. 4,46,43 (thousands) is mainly due to grant of loans to Water and Power Development Authority and Advances to cultivators, etc.

Outstanding
Items of
the Approp-
riation
comm-
ercial
Accounts for
the year
1957-58.

14. (1) The Committee considered the outstanding items of the Appropriation Commercial Accounts of the Government of West Pakistan for the year 1957-58 and Audit Report thereon which could not be finalized before submission of the Report of those accounts to Assembly.

(2) The Committee considered the explanation of the Communications and Works Department in respect of excess expenditure of Rs. 1,98,79,428 and Rs. 1,06,883 under grants No. 29—Civil Works and 30—Buildings and Roads Establishment Charges respectively and was satisfied that the expenditure was unavoidable. The Committee was also satisfied that the excess expenditure of Rs. 1,40,143 under head "Salt" on the charged account was also justified. The Committee recommends that necessary grants to regularize these excesses may be made by the Governor under Article 235 of the Constitution. The Committee was informed that, in fact, there was no excess expenditure under grant Nos. 43—Capital Outlay on Provincial Schemes of State Trading and 47—Suspense but in case the excess expenditure shown in the accounts under these grants is to be regularised by making further grants, this may also be done.

(3) While considering the explanations of the Agriculture Department for the saving of Rs. 3,63,14,715 under Grant No. 22—Agriculture, the Committee was informed that there was a saving of Rs. 5,79,000 under this item on account of the salary of the staff which could not be recruited. The Committee wanted to examine Dr. A. M. Sheikh at present Principal, Agricultural College, Tando Jam who was at the relevant time the Director of Agriculture, and who alone, as reported to the Committee on 24th May, 1965 was in a position to give details for the non-recruitment of the staff at the relevant time. Mr. F. D. Saifi, Deputy Secretary, Agriculture Department, stated that Dr. A. M. Sheikh was directed on the telephone to appear before the Committee but he was informed by Dr. Sheikh that due to non-availability of seat it was not possible for him to comply with the direction. In the circumstances the Committee could not take up the item without the evidence of Dr. Sheikh. The Committee is not satisfied with the explanation submitted for the non-utilisation of Rs. 5,79,000 due to the non-recruitment of staff. The Committee is of the view that as this item related to the Agriculture Department it was obvious that the non-recruitment of such a huge staff must have affected the working of that Department and thus adversely affected the nation-building activities in a very vital sphere. The Committee recommends that Government might call upon Dr. A. M. Shaikh to explain the matter and if his explanation is not satisfactory, to take suitable action against him to serve as an example to others.

Action
taken by
Finance
Depart-
ment on
the report
for the
year 1957-
58.

15. As required by paragraph 15.22 of the Punjab Budget Manual, 5th Edition, the Finance Department placed before the Committee a statement showing the action taken by the Finance Department on the recommendations made by the Standing Committee on Public Accounts in its Report on the Appropriation/Finance/Commercial Accounts for the year 1957-58. The statement is appended to this report as Annexure 'B'.

Recovery of
Govern-
ment
Dues.

16. When the present Committee started its labours it found that staggeringly huge amounts were due to the exchequer on various accounts the recovery of which had not taken place for along time. The Committee devoted its special attention to this problem and repeatedly impressed upon Administrative Departments of Government to effect recoveries of Government dues and also to

take suitable action against officers who had failed to recover amounts due to Government. As a result of its repeated exhortations to the Departments the following amounts which had been outstanding since long were recovered:—

	1957-58	1958-59	Total
	Rs.	Rs.	Rs.
Appropriation Account	... 21,85,502	7,83,817	29,69,319
Commercial Account	... 2,550	10,883	13,433
Total	... 21,88,052	7,94,700	29,82,752

17. The Committee wish to place on record its appreciation of the valuable assistance given to the Committee by Mr. S. M. A. Subzwari, Accountant-General, West Pakistan and Mr. Riazul Hasan and later on by Mr. Nazir Ahmad Chaudhri, who succeeded him as Director of Audit and Accounts (Works). The Committee found the Report on the Appropriation Accounts to be of great value. Thanks are also due to Mr. A. A. K. Babar, Director, Commercial Audit who also gave valuable assistance to the Committee in the examination of the Commercial accounts of the Province.

The Committee also expresses its appreciation of the advice and assistance given by Mr. S. M. Nasim, C.S.P., Additional Secretary, Finance, and Mr. Asif Rahim, Additional Secretary, finance whose advice was always found to be of great use and assistance.

Last but not least thanks are due to the Secretariat of the Committee and in particular to Chaudhri Muhammad Iqbal and Mr. S. M. Athar, Secretary and Assistant Secretary respectively of the Provincial Assembly, who served the Committee throughout its labourious proceedings with unfailing devotion. They were of great help to the Committee in preparing this Report.

18. The Committee authorises the Finance Minister, Government of West Pakistan, to present this Report to the Assembly during the session commencing on the 9th of June, 1965.

Presentation of the report.

S. M. SOHAIL

CHAIRMAN,

LAHORE
The 29th May, 1965

*Standing Committee on Public Accounts
Provincial Assembly of West Pakistan.*

LAHORE :
The 4th June 1965

MUHAMMAD IQBAL
SECRETARY,
Provincial Assembly of West Pakistan.

ANNEXURE A
PROCEEDINGS OF THE MEETINGS

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD IN THE COMMITTEE ROOM OF THE
ASSEMBLY BUILDING AT 9.00 A.M. ON WEDNESDAY, THE
2ND OCTOBER, 1963.**

The following were present—

- | | |
|---|-------------------|
| (1) Mr. S. M. Sohail, M. P. A. | .. Chairman. |
| (2) Pir Ali Shah, M. P. A. | .. Member. |
| (3) Sardar Ahmad Ali, M. P. A. | .. Member. |
| (4) Mr. Ghulam Muhammad Shah, M. P. A. | .. Member. |
| (5) Mr. S. M. A. Subzwari, P. A. and A. S., Accountant-General, West Pakistan, Lahore, | .. By Invitation. |
| (6) Mr. K. Hafizullah, P. A. and A. S., Director, Audit and Accounts, (Works) West Pakistan, Lahore | .. By Invitation. |
| (7) Mr. A. M. Sheikh, Deputy Secretary, Finance. | .. Expert Adviser |

The Committee took up the examination of the Appropriation Accounts 1958-59 and the Audit Report, 1960.

The following decisions were taken by the Committee :—

Page 3—It was decided that explanations should be called for from the Departments concerned in respect of all items of savings on page 3 of the Audit Report where there was a saving of more than 10 per cent. The explanation should be full and complete giving the details.

Pages 4-5—It was decided that explanation should be called for from the Departments concerned in respect of excess expenditure incurred as shown on page 4, para. 8 of the Report. The explanation should be full and complete giving the details.

Page 5 (Para. 9)—It was decided that Heads of Departments concerned should be asked to explain the excesses. The explanation should be full and complete.

Pages 6-7—"Control over Expenditure", Sub-Head: "Supplementary Grants and Appropriations proving partly or wholly unnecessary" and "Surrenders made in Excess of total Savings in Voted Grants or Charged Appropriations".

The Committee decided to call for explanations from the relative Departments as to why they obtained larger amounts when these were not required or had to be surrendered and conversely surrendered larger amounts when lesser amounts were available for surrender, and under the sub-head "Surrenders in absence of savings" surrendered amounts when no amounts were available. The Committee took a serious view of the position as it appeared that the Departments had no idea of the budget and no idea as to what amount they had to spend.

Pages 9-10—Attention of the Committee was drawn to the fact that works to the tune of above Rs. 23.66 crores had been undertaken without proper estimates and technical sanction by the competent authority. The Committee directed that an explanation should be called for from the relative Departments giving full details and fixing the responsibility for the undertaking of such works. In particular explanation should be asked for in respect of works enumerated at page 10 and whether sanction had since been obtained or not. The Committee noted that as a result of these works being undertaken without technical sanction efficient financial control could not be exercised nor could it be vouched that the proposals were structurally sound.

It also appeared that these cases were brought to the notice of the authorities concerned for regularising them but were not regularised during the year under report. The explanation of the relative departments should answer all these questions.

Pages 11—32—The Committee decided that an explanation should be called for from the Heads of Departments in respect of each irregularity. The report should explain every irregularity separately, giving all the facts and figures and the latest position pointing out and fixing the responsibility of the officers concerned and indicating whether any action had been taken or any action was contemplated and also stating why no action had been taken so far against the officers against whom action had to be taken. The Committee would take serious notice of all cases where full and complete explanations were not given on the lines indicated above.

Page 32—"Treasury Inspection"—The Committee did not consider any action necessary. The matter was dropped.

Page 33—"Local Audit of other Civil Offices"—The Committee noted the remarks and observed that suitable action would be suggested when individual cases, referred to in the Report, were examined.

Pages 33—37—It was decided that an explanation should be called for from the Departments concerned as to what action they have taken for recoveries and irregularities against the officers concerned who are responsible for the irregularities pointed out in the Report on the relevant pages. The explanation should also state where no action has been taken or where delayed action has been taken, why there was delay and no action. The reports should be full and complete.

Page 37—"Audit of Grants-in-aid"—It was brought to the notice of the Committee that the Deputy Director, Health Services, Peshawar, Director of Public Instruction, West Pakistan, Lahore and the Director of Industries, West Pakistan, Lahore had not furnished certificates to the effect that Grants-in-Aid in their areas were spent on the objects for which these were meant. The Committee observed that in such cases the only control the Government could exercise by way of audit on these grants was through certificates granted by the officers concerned. If these certificates are also not available it tantamounts to Government expending money under these Heads for which there is no check whatsoever as to how the money will be spent. Explanation should be called for from the officers concerned as to why they did not furnish the certificates in time and they should also be called upon to furnish the relevant certificates to the Accountant-General, West Pakistan, without further delay.

Page 38—"Secret Service Expenditure"—The attention of the Committee was drawn to the fact that no certificates in the prescribed form, as required by the rules, had been furnished for General Administration, Police, Frontier Regions and Education and as for Provincial Excise no certificates were furnished for Northern Area. It was observed that Government exercises control over such expenditure only on the authority of certificates and where these certificates are not available Government is absolutely in the dark as to whether the money has been spent and, if it has been spent, whether it has been spent on the purpose for which it was required to be spent. The Committee directed that explanation should be called for from the officers concerned as to why these certificates were not furnished in time and they should further be asked to furnish at once these certificates to the Accountant-General, West Pakistan, for his examination.

Pages 38—40—The Committee examined the Audit Notes under the heading "Financial Review of the Lower Sind Barrage" at pages 38—40 of the Report. The position appears to be appalling and would call for a detailed examination and remedial measures. The Committee, *prima-facie*, on the facts before it, is of the view that the revenues comparing the expenditure are very unfavourable and if the

further circumstance of water-logging is taken into consideration, which has not been taken notice of in this Report, further deterioration is likely to happen. In short, what has been done from 1957 to 1964 may be undone by water-logging in a shorter span creating further problems for the country. The Department concerned is called upon to give a full and complete report taking into consideration all the facts that have been pointed out by Audit as also further fact of the danger of water-logging. The officer concerned should be present for oral examination when this matter is taken up next by the Committee. The Irrigation Department should also produce the Hunting Report before the Committee and if it is possible a copy of the said Report may be made available to the Members and Audit for pre-examination well in time before the next meeting. The Committee is of the view that the next meeting for considering the Financial Review of the Lower Sind Barrage mentioned at pages 38—40 of the Report, will be held on the 4th November, 1963 at 4-30 p.m. at Jam Shoro Rest House. The Department should provide an explanation and data to the Audit at the latest by the 28th October, 1963. An intimation regarding this should be sent to the Department direct in addition to its being sent to them through the Finance Department who will also send an intimation.

Pages 41-42—"Points Outstanding from previous Reports"—The Committee decided that the Audit Department should re-examine these cases and bring up before the Committee such cases on which they do not feel satisfied. The rest should be dropped.

Pages 42-48—"Unfinalized cases of serious financial irregularities".

"Delay in disposal of Inspection Reports and Audit Notes."

"Arrears in Accounts Documents and Returns".

The latest position was brought before the Committee by the Director of Audit and it was decided by the Committee that the explanation of the Departments concerned should be called for in respect of the latest position and the same should be put up before the Committee at its next meeting.

Page 55—It was decided that the explanations should be called for from the Department concerned in respect of the list of remissions and abandonment of claims to revenue sanctioned during the year, which has not been furnished as also regarding the receipts and expenditure of the Departments during the last four years ending 1958-59, showing a tendency towards increase in expenditure as related to the receipts for the year. The Department will explain why the proportion of expenditure is increasing and what steps they consider proper to check it. Audit will also give their remarks on the explanation.

Page 62—It was decided that explanation should be called for from the Department concerned why the consolidated Store Account of Provincial Stamps was not furnished by the Department. They should be further called upon to furnish the said consolidated account for examination of the Audit. Responsibility should be fixed for non-compliance.

Page 69—It was decided that the Department should be called upon to explain why there was a saving of 597 and odd lakhs under the head charged, and over-expenditure of 99 lakhs under the head voted and authorised. The explanation should be full and complete, giving full details of facts and figures.

Pages 72-74—"Suspense"—The Committee took the same view to call for explanation, etc. as for the year 1957-58.

Page 74—"Excess payment to a contractor"—The Committee decided that explanation should be called for, as to who were the officers responsible for the irregularity, what action has been taken or was contemplated to be taken, and if no action has been taken, reasons therefor.

Pages 88-89—"Store Account"—The Committee decided that the explanation of the Departments concerned should be called for fixing responsibility of the officers concerned and stating the action taken or contemplated and if no action has been taken reasons therefor.

Page 147—Grant No. 30, Civil Works, items—

- (v) Funds fell short of actual requirement (Rs. 27.84 thousand and odd);
- (vi) Inevitable expenditure in connection with maintenance of roads and repairs to buildings provision for which had been curtailed by the Government (Rs. 11.03 thousand and odd);
- (viii) Execution of certain emergent works in the absence of budget provision (Rs. 1.57 thousand and odd);
- (ix) Execution of certain urgent works in anticipation of funds, which were not allowed in the list of excesses and surrenders (Rs. 1.32 thousand and odd);
- (x) Purchase of more stock and machinery (Rs. 104 thousand and odd).

The Committee decided that an explanation should be called for from the Department concerned as to why these irregularities were committed, giving full justification for the same. In absence of proper justification, responsibility for irregularities committed should be fixed and action taken against the officers concerned should be stated. If no action has been taken for such a longtime reasons therefor.

Page 149—"Suspense"—The Committee took the same decision as in respect of the year 1957-58 under this head.

Page 151—"Store Account of the Buildings and Roads Department"—The Committee took the same decision as was taken on this item for the year 1957-58 viz., that explanation should be called for from the Head of Department giving full facts and reasons for the excess.

Page 152—The stock returns and the certificates of count of stock in hand for the year ending 30th June, 1959, were not provided to the Director of Audit in a number of cases. The Committee directed that explanation should be called for from the officer concerned fixing responsibility for the serious irregularity involved and stating the action taken against the officer responsible for this. If no action had been taken whether any action was contemplated. The Committee directed further that the necessary stock returns and certificates should be furnished immediately to the Director of Audit.

Page 184—"Sale of stores in contravention of Government Orders"—The Committee took a serious view of the sale on credit of the stores against Government Orders and directed that explanation should be called for from the Department fixing responsibility of the Officers concerned.

Pages 232-240—With reference to pages 232 to 240 dealing with the summary of cases of financial irregularities losses, etc., which have not yet been finalised, the Committee directed that explanation should be called for from the Departments concerned as to why the irregularities have not been rectified, the excess is not realised and the shortage of stores not corrected. This explanation should clearly fix the responsibility under each head and report the action taken against the officer or officers concerned, and if no action has been taken what action is contemplated.

Page 225—Attention of the Committee was drawn to the fact that Government has invested a sum of Rs. 4.62 lakhs and odd on six industries, viz., (1) Provincial Road Transport Board, (2) Small Scale Cottage Industries Corporation, (3) Panjnad Sugar Mills Ltd., Khanpur, (4) Charsada Sugar Mills Ltd., (5) Rural Credit Societies and (6) Agricultural Bank of Pakistan. The profits that these organisations were making were not available to the Accountant-General. The Committee directed that Finance Department should be requested to furnish details of the

profit earned separately by Government on this investment in these industries together with a statement on what are the prospect of our profit in this investment and whether it is advisable to continue our investments in these organisations.

The Committee directed that the head of Department concerned should be requested to be present for oral examination at the next meeting.

FINANCE ACCOUNTS

The Government of West Pakistan, Finance Accounts for the year 1957-58 and year 1958-59 were placed before the Committee, and the Committee noted the same.

The Committee adjourned to meet again on the 4th of November, 1963, at 4.30 p. m. at Rest House, Jamshoro.

S. M. SOHAIL

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD IN THE INSPECTION BUNGALOW, JAMSHORO
HYDERABAD, AT 4.30 P.M., ON TUESDAY, THE 12TH NOVEMBER
1963.**

The following were present:—

- | | |
|--|------------------|
| (1) Mr. S. M. Sohail, M.P.A. | .. Chairman. |
| (2) Pir Ali Shah, M.P.A. | Member. |
| (3) Sardar Ahmed Ali, M.P.A. | .. Member. |
| (4) Mr. Ghulam Muhammad Shah, M.P.A. | .. Member. |
| (5) Mir Muhammad Khan Talpur, M.P.A. | .. Member. |
| (4) Khan Ata Hussain Khan, M.P.A. | .. Member. |
| (7) Chaudhri Muhammad Iqbal, Secretary, Provincial;
Assembly of West Pakistan. | .. Secretary. |
| (8) Mr. Muzaffar, C.S.P., Deputy Secretary, Finance
Department. | Expert Adviser |
| (9) Mr. K. Hafeezullah, P.A. and A.S. Director, Audit and;
Accounts (Works) West Pakistan, Lahore. | By invitation. |
| (10) Mr. Abdul Wahab, Deputy Secretary, Irrigation and
Power Department assisted by Mr. Sarfraz K. Malik,
Section Officer Irrigation and Power Department. | By invitation. |
| (11) Mr. Ahmed Hassan, Chief Engineer and Adviser, Irriga-
tion, West Pakistan Agricultural Development Cor-
poration assisted by Mr. M. U. Arain, Deputy Chief
Engineer Irrigation, Ghulam Muhammad Barrage
Project | ..By invitation. |

I. Deputy Secretary, Finance, circulated the explanations of the Irrigation Department on the points raised in the Financial Review of Lower Sind Barrage appearing at page 38—40 of the Appropriation Accounts 1958-59 and the Audit Report 1960 and the comments of the Audit on the explanations. Secretary of the Committee, pointed out that these explanations and the comments of the Audit thereon were not received by him and, therefore, he could not circulate them to the Members of the Committee in advance. Section Officer, Irrigation and Power Department, pointed out that his Department had sent 15 copies of the explanation on 23rd October, 1963 to the Director, Audit and Accounts (Works) who received them on 25th October, 1963 and in turn sent 12 copies thereof along with his comments to the Finance Department on the 4th November, 1963. The Committee decided that the delay in this case appeared to have taken place without negligence on the part of any officer and condoned it. The Committee however observed that it was very much inconvenient by the explanation and comments not having been sent to the Members in advance with the result that the Committee had to examine them without having had a look at them previously. The Committee hoped that in future all papers meant to be placed before the Committee should be sent to the Secretary well in time so that they are circulated to the Members in advance. The Committee considered that ten day's time should be available to the Secretary to circulate such explanations and reports.

II. The Director, Audit and Accounts (Works), West Pakistan, then pointed out that the drafts of the objections taken by him and included in the Appropriation Accounts for the year 1958-59, which were the subject matter for consideration were sent to the Irrigation Department on 28th August, 1961 and as no reply was received by him till 1962, when the report was published, these had to be included in the Appropriation Accounts. He pointed out that the comments of Audit Department were not being attended to well in time. Section Officer, Irrigation Department,

drew attention to a letter No. 11624-FF-25—A, dated the 18th February, 1963 from the Deputy Chief Engineer, Ghulam Muhammad Barrage, under which the comments of the Irrigation Department had been sent to the Secretary to Government of West Pakistan, Irrigation and Power Department with a copy endorsed to the Director, Audit and Accounts (Works). On the very face of it, those comments were sent very late and should have been attended to much earlier. The Committee strongly felt that the Audit Reports should be attended to by the Departments concerned with expedition and should have been attended to in this case by the Irrigation Department much earlier. The Committee wanted to know the officers who were responsible for this delay in compiling the necessary comments for recommending proper action against them. The Committee directed that the Secretary to the Government of West Pakistan, Irrigation Department and the Secretary to the Government of West Pakistan, Agriculture Department should please find out the name of such officers and make them available to the Committee at its next meeting.

III. Deputy Chief Engineer, Ghulam Muhammad Barrage Headquarters drew attention to the proceedings of the *ad hoc* Public Accounts Committee held on the 4th and 5th December, 1961, which considered the Audit objections contained in the Appropriation Accounts for the year 1954-55. That Committee took a decision in paragraph 14 and found that the Department had given detailed explanation for delay in completion of the Project which was accepted and the item was dropped from the agenda. The Committee decided that as a previous Public Accounts Committee considered the explanation on the objections raised under the item in question as sufficient, the present Committee could only consider objections taken for the years after 1954-55 and to exclude from consideration the objections which had previously been accepted by the *ad hoc* Public Accounts Committee in 1961.

IV. The Committee then commenced its examination of the explanation furnished by the Department in respect of various points raised by the Audit on the review of the Lower Sind Barrage and the audit comments on the explanation.

POINT NO. I—INITIALLY THE PROJECT WAS TO BE COMPLETED AT A COST OF Rs. 21,04,78,500 BY THE END OF 1960, BUT THE PROJECT'S COST HAS BEEN REVISED TWICE AND NOW RESTS AT Rs. 39,10,40,570, WITH THE SCHEDULE TO COMPLETE THE SAME BY 1963-64.

The Director, Audit and Accounts (Works), pointed out that the first obvious thing in connection with the project was that by successive revision of estimates the cost of the scheme had been raised from Rs. 21 crores to Rs. 39 crores and there was a further revision in the process of making which was likely to raise it to about Rs. 47 crores; that several reasons such increase in labour costs, re-designing of canal etc., had been given as the reason for the increase of the cost but a break-up of the increase in cost due to each factor had not been given and, therefore, it was not possible to scrutinize the justification of the increase. Mr. Arain, Deputy Chief Engineer Ghulam Muhammad Barrage, pointed out that the next revised estimates were not likely to go up to Rs. 47 crores and that a detailed Project Report giving the break up of the increase under each head was being compiled under the directions of the Planning Commission. Mr. Ahmed Hasan, Chief Engineer, Agricultural Development Corporation, pointed out that this Report might take several months in compilation and the least time that it could take, he thought, was about six months.

The Committee felt that it was not possible to make a probe further into this matter in view of the statements made by Mr. Arain and Mr. Ahmed Hassan. The Committee was, however, not satisfied with this position of stalemate and wanted this detailed Project Report to be compiled very early and placed before the Committee for its study. It was pointed out by Mr. Muzaffar, Deputy Secretary Finance, and also by the Director of Audit and Accounts (Works), that in the detailed Project Report, which was being prepared, the actuals of the income derived from different areas might also be included so that it may be possible to assess the productivity of the Project as a whole.

POINT NO. II—IN ARRIVING AT THE TOTAL COST OF THE PROJECT THE AMOUNT OF INTEREST WHICH THE GOVERNMENT IS LIABLE TO PAY ON THE CAPITAL INVESTED HAS NOT BEEN ADDED THE PROJECT ESTIMATE THEREFORE, NEEDS FURTHER REVISION.

The Committee considered at length the question of interest on capital being added to the estimated cost of the Project. It was of the view that the present practice be continued and that interest should not be included in the cost of the Project. The Committee decided to finally drop this objection and observed that this objection need not come up in future Audit Reports.

POINT NO. III—THE REVENUE RECEIPTS (DIRECT AND INDIRECT) FOR THE YEAR 1958 TO 1959 AS PROVIDED IN THE STATEMENT No XVI I OF THIS ESTIMATE ARE NOT VISIBLE UNDER P. W. HEAD OF ACCOUNTS FOR THESE YEARS. AS SUCH THE PERCENTAGE RETURNS WORKED OUT BY THE DEPARTMENT NEED JUSTIFICATION AND ALSO IT IS TOO EARLY TO DECLARE THIS PROJECT AS PRODUCTIVE. IN SUPPORT OF THIS POINT COMPARISON OF TEN INCREASE IN REVENUE SHOWN IN THE FINANCIAL FORE COST OF 1959-60 AND REVENUE ACTUALLY REALISED UPTO 30TH JUNE 1960 ARE ALSO GIVEN WHICH SHOWS THAT ESTIMATE REVENUE UPTO 30TH JUNE 1960-Rs. 2.33 CRORES AGAINST WHICH ACTUAL REVENUE IS REPORTED TO HAVE BEEN NOT VISIBLE.

The Director, Audit and Accounts (Works), drew the attention of the Committee to the fact that the figures of revenue receipts due to Irrigation Works for the years 1956 on wards had not been received by him. He drew attention to a letter dated the 23rd May 1963 from the Comptroller, Southern Areas, Karachi, to the Member, Board of Revenue, drawing attention of the Board of Revenue to the fact that the figures, referred to above, had not been received by him. The Committee was of the view that this was a very sorry state of affairs indeed and calculated to completely frustrate the working of the Audit Department. Mr. Sarfraz, Section Officer, Irrigation and Power Department, drew the attention of the Committee to a letter dated the 8th October, 1963, from the Finance Department, endorsed to the Board of Revenue with a top priority label, drawing the attention of the Board of Revenue to depute a representative to attend the meeting of the Public Accounts Committee at Jamshoro to reply to the portion of audit objection relating to the collection of revenue from this Project. The Committee noted with regret that the Board of Revenue had not deputed any body for oral examination by the Committee to supply the necessary information, with the result that on this head further action was frustrated and the Committee could not proceed further. The Committee decided that the Board of Revenue should depute for oral examination by the Committee such officer or officers of the Revenue Department as were competent to give the details and necessary information required to meet the audit objection. The Committee further directed that the Board of Revenue should have the information compiled and sent to the Director, Audit and Accounts (Works) well in time before the next meeting so that the Director of Audit and Accounts (Works) might be in a position to scrutinize the same and place it before the Committee with his comments. In this connection the attention of the Committee was drawn to a decision taken by the *ad-hoc* Public Accounts Committee when confronted with a similar situation where the Director of Public Relations was absent and that Committee was unable to get the necessary information. The decision has been incorporated under the following words:—

“While discussing the absence of the Director, Public Relations in the meeting, the Committee desired that a letter should be issued to all Heads of Departments to be present in person in the meetings of the *ad hoc* Public Accounts Committee while items relating to their departments are discussed.”

The Committee endorsed the above decision of the *ad hoc* Public Accounts Committee and wished it to be followed as a rule that the Heads of Departments should be present at the meetings of the Public Accounts Committee when matters relating to their departments are under consideration of the Committee. The Committee decided that the Finance Department should issue necessary instructions in this respect to all Heads of Departments.

The letters from Mr. A. Rashid Qazi, Secretary, Irrigation and Power and Malik Khuda Bakhsh Bucha, Secretary Agriculture, expressing their inability to be present at the meetings of the Committee at Jamshoro were placed before the Committee and the Committee was pleased to accept the reasons given by the two Secretaries for not being present at the meeting.

The Committee adjourned to meet again on Wednesday, the 13th November, 1933, at 9-30 a.m. in the Inspection Bungalow Jamshoro, Hyderabad.

S. M. SOHAIL

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD IN THE INSPECTION BUNGALOW, JAMSHORO
HYDERABAD, AT 9-30 A.M. ON WEDNESDAY, THE 13TH NOVEMBER,
1963

The following were present:—

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|---|----|----|----------------------|
| (1) Mr. S. M. Sohail, M.P.A. | .. | .. | Chairman. |
| (2) Pir Ali Shah, M.P.A. | .. | .. | Member. |
| (3) Sardar Ahmed Ali, M.P.A. | .. | .. | Member. |
| (4) Mr. Ghulam Muhammad Shah, M.P.A. | .. | .. | Member. |
| (5) Mir Muhammad Khan Talpur M.P.A. | .. | .. | Member. |
| (6) Khan Ata Hussain Khan, M.P.A. | .. | .. | Member. |
| (7) Chaudhri Muhammad Iqbal, Secretary, Provincial
Assembly of West Pakistan. | | | Ex-Office Secretary. |
| (8) Mr. Muzaffar Ahmed, C.S.P., Deputy Secretary,
Finance Department. | | | Expert Adviser. |
| (9) Mr. K. Hafeezullah, P.A. and A.S. Director, Audit
and Accounts (Works), West Pakistan, Lahore. | | | By invitation. |
| (10) Mr. Abdul Wahab Deputy Secretary, Irrigation
and Power Department assisted by Mr. Sar-
fraz K. Malik, Section Officer, Irrigation and
Power Department. | | | By invitation. |
| (11) Mr. Ahmed Hassan, Chief Engineer, and Adviser,
Irrigation, Ghulam Muhammad Barrage Project
assisted by Mr. M. U. Arain, Deputy Chief En-
gineer Irrigation, Ghulam Muhammad Garrage
Project. | | | By invitation. |

While examining the question of receipts to be derived from various areas of the Ghulam Muhammad Barrage Project, as shown in the financial forecast, the Committee felt that it had to have a broader look on the Project as a whole and specially the recommendations made by the Hunting's Technical Services Limited as a result of certain investigations made by them, as these recommendations, if accepted would materially affect the revenue position. The Committee noted that the total area of the land under the Project was about 28 lakh acres out of which perennially irrigated area would be 18.4 lakh acres and non perennial area about 19.6 lakh acres. out of this, the area on the left bank was 22.25 lakhs acres and on the right bank 5.5 lakh acres. On the left bank the perennial area was 4.9 lakh acres and non-perennial 17.6 lakh acres. On the right bank, the perennial area was 3.5 lakhs acres and non-perennial 2 lakh acres. It was noted that an expenditure of Rs. 140 lakhs had been incurred on open surface drains up-to-date. This figure includes Rs. 30 lakhs provided in the budget for 1963-64 which was expected to be expended into to before the end of the current financial year. The engineers present at the meeting gave the figure of Rs. 15 crores as the estimated cost of drainage by open surface drains of the non-perennial area on both the banks. This would work out to Rs. 77 per acre as the capital cost of drainage and the annual maintenance cost would have to be added to this figure. So far as the perennial area is concerned, these are as follows:—

Left Bank—

Gaaja	..	..	..	87,000 acres,
Tando Bago and Badin areas	..	..	..	4.0 lakh acres.

Right Bank—

3.5 lakh acres.

It was noted that the Hunting's Technical Services Limited were of the opinion that the entire perennial area of 3.5 lakh acres on the right bank and the areas of Tando

Bago and Badin (4·0 lakh acres) should be converted into non-perennial areas. The estimated cost of drainage of Gaaja area was Rs. 6 crores. No estimate for the drainage of Tando Bago and Badin had yet been prepared but this was likely to be a very substantial amount. The engineers pointed out that if the perennial areas of Tando Bago and Badin on the left bank and the perennial areas on the right bank were to be converted into non-perennial areas, one of the two things would have to be done. Either 2/3 of the area will have to be abandoned or the capacity of the channels serving the area would have to be increased 3/4. The estimated cost of increasing the capacity of the channels (3/4) had not yet been worked out. The consultants had recommended that before development in the Ghulam Muhammad Barrage area is carried too far, an over-all plan for allocation of the Indus waters throughout the whole of the Indus Plan should be finalised and till then all development work in the area should be stopped. These are the various factors on which revenues, to be derived from the Project, will depend and as big questions of policy, which will take quite a long time for the Government to decide, are involved, the Committee felt that no firm forecasts of revenue receipts could be relied upon. The Committee were of the opinion that these questions of policy should be decided as quickly as possible so that receipts per acre could be worked out with some amount of certainty and until this was possible no opinion could be hazarded whether the project would satisfy the tests of productivity or not.

The Director, Audit and Accounts (Works) raised the question whether it was correct to have charged Rs. 73 lacs to the capital account of the Barrage in respect of maintenance of Headworks during the year 1956 to 1962-63 when the Headworks had been completed in the year 1955. He was of the opinion that this amount should have been charged to the revenue head "Maintenance". The Irrigation Department accepted his view point but pointed out that the amount had been charged to the capital head because the suspense account had not been cleared and the account under the capital head in respect of Headworks had not been closed. The Committee felt that it was a matter for determination of a correct procedure for debiting expenditure and the Audit, the Irrigation Department and the Finance Department should look into it and if any wrong debiting had been done the amount should be transferred to the correct head of account. The objection taken by the Audit was, therefore, dropped;

HAD THE PROGRAMME GIVEN IN THE FINANCIAL FORECASTS OF 1951 AND 1956 FOR THE COMPLETION OF SCHEME BY 1960-61 BEEN ADHERED TO, THERE WOULD HAVE BEEN NO NECESSITY OF REVISING THE ESTIMATE IN 1959-60.

POINT NO. IV—

The Committee observed that this point was allied with point No. I. The justifiability of increase in cost as a whole could only be examined in the light of the break-up of the increase necessitated by each factor. This break-up was still to be supplied by the A.D.C. and the Committee, therefore, decided that Point No. IV might be taken up after the report, called for from the A.D.C. had been received. As the question of delay in the execution of the Project had previously been gone into by the Adhoc Public Accounts Committee which met on the 4th and 5th December, 1961 and the delay had been condoned, the Committee decided that only the question of justification of increase in costs need be looked into.

THERE IS EXCESS OVER THE ESTIMATE OF 1950-51. ALSO IT IS TO BE SEEN WHETHER THE EXPENDITURE AS A WHOLE WILL REMAIN WITHIN THE ESTIMATED COST OF 1959-60 OR NOT. IT IS ALSO DOUBTFUL IF THE WHOLE PROJECT WILL BE COMPLETED BY 1963-64 AS CONTEMPLATED IN THE ESTIMATE 1959-60.

POINT NO. V—

The Director, Audit and Accounts (Works) pointed out that the Project was not likely to be completed even in 1963-64 as had been assumed in the earlier estimates and the cost was likely to go up still further. The Deputy Chief Engineer, A.D.C.

in reply, stated that it would be necessary to revise the Project and there was bound to be a rise in the estimated cost. By way of illustration as to how a rise in cost was inevitable, he stated that about 75% of the remaining work consisted of earth work only. He stated that as the Irrigation Department had handed over all its earth moving machinery to the MPO, an organization under the WAPDA, and the MPO now carried out the earth work as an agent of the Irrigation Department, the Irrigation Department had no control over the rates. The rates for earth work which was got done by the Irrigation Department by manual labour or by machinery in their own charge was in the vicinity of Rs. 20 to Rs. 25 per thousand cubic feet, while the WAPDA was now charging Rs. 42.6 per thousand cubic feet of earth work. Even this rate of Rs. 42.6 per thousand cubic feet did not take into account the depreciation charges for the machinery which would ultimately be debited to the Project. This depreciation charge was likely to be in the order of Rs. 18 to Rs. 20 per thousand cubic feet. The increase in rate for earth work was thus from Rs. 20-25 to Rs. 60 per thousand cubic feet. Estimates were thus bound to go up proportionally. The Committee was of the view that this increase in rate for earth work was alarming and it seemed a re-appraisal of the entire situation by the Government was necessary if the cost of work was to be kept within reasonable bounds.

POINT NO. VI—IN ORDER TO ASSESS THE AMOUNT OF REVENUE WITH REASONABLE DEGREE OF ACCURACY, ATTENTION OF THE FORMER SIND GOVERNMENT WAS DRAWN BY THE AUDIT OFFICE TO THE INCLUSION IN THE FINANCIAL FORECAST FOR INFORMATION REGARDING—

- (a) THE COLONISATION POLICY, ADOPTED BY GOVERNMENT OF PAKISTAN AND WEST PAKISTAN (PREVIOUSLY SIND GOVERNMENT).
- (b) THE DETAILS ON THE BASIS OF WHICH PREVAILING PRICES OF PRIMARY AGRICULTURAL COMMODITIES VIZ., WHEAT, RICE COTTON, AND OIL SEEDS WHICH WOULD BE PRODUCED BY THE NEW COLONISTS ABOUT TEN YEARS HENCE HAVE BEEN CALCULATED.

The Director, Audit and Accounts (Works), pointed out that in order that the Audit could assess with reasonable accuracy the amount of revenue to be derived from the Project, the financial forecast, appended to the Project estimates, should always be based upon the colonization policy of the Government and financial forecasts prepared on the basis of that policy; and that only then could the Audit see whether the Project was productive or not. The Committee asked the Deputy Chief Engineer Irrigation, A.D.C., to enlighten the Committee on the point and he stated that prior to the Commissioning of the Barrage only an area of about 5 lakh acres was under cultivation and was fed by the then existing inundation canals; that since the construction of the Barrage and the introduction of weir control irrigation, the area under cultivation had increased to 12 lakh acres last year and it might go upto 13 lakh acres by the end of this year; that besides bringing 8 lakh acres of land under the plough the scheme had also benefitted the previously cultivated five lakh acres as cultivation in those lands had become more intensive due to the supply of better irrigation facilities; that although about 14 lakh acres had been brought under the command of the Irrigation system (excluding the 5 lakh acres which were under cultivation before the construction of the Barrage) and very roughly about 80% of the Barrage lands had been leased out, 6 lakh acres remained to be brought under the plough in spite of the fact that the irrigation facilities were available to the area. He further pointed out that if the entire area was taken as a whole then the intensity would be quite desirable as only 60% of the land could be given water for irrigation but the actual position was that in some areas the intensity was higher than what it should be, namely more than 60%, while in other areas whole tracts of land were uncultivated on account of the fact that persons who had obtained allotments were not cultivating the land. The Committee observed that the responsibility for bringing the area under culti-

vation which was being done through the Land Utilization Committee was on the Colonization Department and as no representative of the Land Utilization Committee was present in the meeting it could not take any decision till it had examined the Head of the Land Utilization Committee who should appear before the Committee in its next meeting for oral examination.

The Committee decided to inspect some portions of the area served by the Barrage to form a first hand opinion as to the impact of the Barrage on the land particularly from the point of view of salinity, water-logging and productivity of the land and to hold a meeting after the inspection for an exchange of views with the officers on this subject.

The Committee then adjourned to meet again on Thursday, the 14th November, 1963 at 9-30 a.m. in Jamshoro Rest House, Hyderabad.

S. M. SOHAIL

CHAIRMAN,

*Standing Committee on Public
Accounts.*

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD AT 2-30 P.M. ON THURSDAY THE 14TH
NOVEMBER, 1963, IN A.D.C. REST HOUSE AT CULARCHI.

The following were present —

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| (1) Mr. S. M. Sohail, M. P. A. | .. | .. | Chairman. |
| (2) Sardar Ahmad Ali, M. P. A. | .. | .. | Member. |
| (3) Khan Atta Hussain Khan, M. P. A. | .. | .. | Member. |
| (4) Mir Muhammad Khan Talpur, M. P. A. | .. | .. | Member. |
| (5) Ch. Muhammad Iqbal Secretary, Provincial Assem-
bly of West Pakistan | .. | .. | <i>Ex-officio</i>
Secretary. |
| (6) Mr. K. Hafeezullah, P. A. and A. S. Director, Audit
and Accounts (Works), West Pakistan, Lahore | | | By invitation. |
| (7) Mr. Abdul Wahab, Deputy Secretary, Irrigation
and Power Department assisted by Mr. Sarfraz
K. Malik, S.O.I. & P. Department | .. | .. | By invitation. |
| (9) Mr. M. U. Arain, Deputy Chief Engineer, Irrigation,
Ghulam Muhammad Barrage Project | .. | .. | By invitation. |

In accordance with the decision taken by the Committee on the 13th November, 1963, the Committee met at Jamshoro Inspection Bungalow at 9-30 a.m. and went out to see the actual site irrigated by the Guni canal taking off from Fuleli canal and went up to its tail. The Committee, after making observations on the spot, was of the opinion that the view that salinity in this area was due to canal irrigation was not based upon facts. In the opinion of the Committee the presence of salinity was perhaps due to the fact that this was a relatively a newly formed area by the recession of the sea over geological periods and there being very scanty rain-fall (the extent being from 1 to 5 inches per year) the salts in the land had not been washed away. With canal irrigation these salts might be washed away in a number of years and the land become free from salinity. The Committee feel that the real remedy, therefore, was the construction of open drains simultaneously with the construction of irrigating channels and therefore, the view that some of the perennial areas should be made non-perennial and some of the areas should be left out of irrigation altogether did not commend itself to the Committee.

The Committee also noted that the actual breaking of the land and bringing it under the plough had not been able to keep pace with the provision of irrigation facilities and this led to:—

- (1) there being no receipts from a very vast area of land for which irrigation facilities had been provided at great cost;
- (2) raising of the water table in these areas; and
- (3) extra expenditure required to be incurred on the maintenance of irrigation channels and their added siltation.

The Committee therefore, suggested that colonization operations should be expedited and as much of land should be brought under the plough as was possible within the shortest time.

The Committee noted that the whole area had a natural slope towards the sea which is close by and thus drainage present no technical difficulties and all that was needed was that open drains should be constructed to drain the entire area into the sea.

The Committee had also the opportunity of seeing two types of colonisers working closely in the same area. On one side of the canal were cultivators from the Punjab who had taken lands in open auctions. The lands with them had been properly broken and one could see smiling fields on all sides. Sugarcane and rice were the main crops grown by these colonists and the condition of the crops appeared to be very good. On the other side of the canal were colonists from East Pakistan

who did not seem to be taking much interest in cultivation and, therefore, their lands gave the appearance of deserted wild terrain of land with nothing much to show. The conclusion that could be drawn from this state of affairs was that land, and particularly in a new Barrage, upon the success of which, to a great extent, depends the production of the Country's food grain, should be given to properly selected people who have the potentialities of making a good job of cultivation.

The Committee decided to meet again on Saturday, the 7th December 1963 at 4.00 p.m. in the Assembly Building, Lahore. The Committee further decided that the Finance Department should prepare the agenda for the meeting and ask the Heads of Departments concerned to appear before the Committee on that day.

The Committee then adjourned to meet again at 4.00 p.m. on Saturday, the 7th December, 1963 in the Committee Room of the Assembly Building, Lahore.

S. M. SOHAIL

CHAIRMAN,

*Standing Committee on Public
Accounts.*

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD AT 10. A. M., AT GOVERNMENT HOUSE,
10-VICTORIA ROAD, KARACHI, ON THE 28TH APRIL, 1964.

The following were present—

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| 1. Mr. S. M. Sohail, M.P.A. | .. Chairman. |
| 2. Sardar Ahmad Ali, M.P.A. | .. Member. |
| 3. Mr. Ghulam Muhammad Shah, M.P.A. | .. Member. |
| 4. Khan Ata Husain Khan, M.P.A. | .. Member. |
| 5. Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan | .. <i>Ex-officio</i> Secretary. |
| 6. Mr. Tariq Saeed Jafri, C.S.P., Deputy Secretary, Finance Department | .. Expert Advisor. |
| 7. Mr. S. M. A. Subzwari, P.A. and A. S., Accountant-General, West Pakistan | .. By invitation. |
| 8. Mr. A. A. K. Babar, P.A. and A. S., Director, Commercial Audit | .. By invitation. |

1. The Committee took up the preliminary examination of the Commercial Accounts of the Government of West Pakistan, for the year 1958-59 and the Audit Report thereon.

(1) *Pages 7—11, paragraph 16—18*—The Committee observed that in addition to the accounts not compiled by the Departments as discussed in paragraph 1 of the minutes of the meeting of the Committee held on 27th April, 1964, three accounts relating to the Sales Display Depot, Lahore, Excise and Salt Department and Opium Alkaloid Factory, Lahore, for the year 1958-59 have also not been prepared due to which these could not be audited and included in the Commercial Accounts. The Departments concerned may be asked to get the accounts for the relevant years prepared and submitted to Audit within 3 months. Explanation of the officers responsible for the default may also be obtained and channelled to this Committee through the Audit.

(2) *Page 16, paragraph 22*—The Department concerned may be asked to fix responsibility for the unauthorised sale on credit and the reason for not effecting recovery from the person concerned although a period of 9 years has since elapsed.

(3) *Page 46, paragraph 56*—The Department may be asked to consider the feasibility of revising rate of despatch charges with a view to avoid losses in future.

(4) *Page 47, paragraph 58*—In case the rates for various categories of assets have not been fixed, the matter should be expedited so that the depreciation charges should be taken into account according to Commercial principles.

(5) *Page 81, paragraph 82*—The Department and the Chairman, Road Transport Board may be asked to investigate and report whether as a general principle the buses are fitted with Fire Fighting Equipments, and if not, why not? The D. C. A. pointed out that in the same unit of Transport, another case of burning of bus involving a loss of Rs. 22,085 in 1961 occurred. The matter should be investigated and responsibility fixed on the officials concerned.

(6) *Page 81, paragraph 83*—The Committee observed that the security arrangements were so weak that it facilitated the removal of costly stores by the Head Store-keeper from the premises of the Transport Unit. The Committee desired to know the measures taken to strengthen the security arrangements and the progress made in the cases pending in court and the recovery or write off of loss involved.

(7) *Page 82, paragraph 84*—The Department and the Chairman, Road Transport Board may be asked to fix responsibility for failure on the part of officials to exercise timely checks due to which the embezzlement took place.

(8) *Page 82, paragraph 85*—The Department and the Chairman, Road Transport Board may be asked to fix responsibility for overpayments made in the first instance and to report whether all overpayments on account of road tax have since been made good. The Committee would also like to know the procedure now adopted with a view to avoiding these financial irregularities.

(9) *Page 109, paragraph 111*—The Department and the Chairman, Road Transport Board may be asked to explain why the stores account were maintained inaccurately which resulted in shortages, written off without investigation and incurring of extra expenditure in the appointment of Auditors for reconciling the Accounts. The Committee would also like to know if as a result of reconciliation any further shortage were noticed; and what action was taken thereon.

(10) *Page 134, Paragraph 124*—The Department and the Chairman, Road Transport Board may be asked to explain the circumstances which led to the fall of profits from Rs. 4,37,183 in the previous year to Rs. 2,31,074 during the year under review. The Committee further observed that during the past 3 years the profit had also continuously declined which requires necessary investigation.

(11) *Page 135, Paragraph 126*—The Department and the Chairman, Road Transport Board may be asked to explain the irregularities mentioned in the Audit comments and to state the steps taken for rectification of the same.

(12) *Page 150, Paragraph 137*—The Department and the Chairman, Road Transport Board may be asked to explain the sharp decline in profits from 23.36 per cent of the Capital invested in the previous year to 2 per cent thereof during the year under review.

(13) *Page 162, Paragraph 147 (ii)*—The Department may be asked to investigate the reasons for decline in profits notwithstanding increase in the number of fleet and to submit the result of the investigation to the Committee.

(14) *Page 163, Paragraph 148*—The Department may be asked to explain why the stores were purchased in excess of requirements and to report the loss sustained in their disposal.

(15) *Page 184, Paragraph 161*—The Department and the Chairman, Road Transport Board may be asked to investigate and report to the Committee the reason for huge decline in profits.

(16) *Page 237, Paragraph 210*—The Department may be asked to explain why the physical verification of stores at the end of the year was not conducted and to fix responsibility for the omission.

(17) *Page 296, paragraph 246*—The Department may be asked to explain why the profits declined notwithstanding the fact that the Capital invested increased by Rs. 4,01,424.

2. The Committee adjourned to meet again at 3-00 p.m. for consideration of the Appropriation Account for 1957-58.

S. M. SOHAIL

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON THURSDAY, THE 24TH SEPTEMBER, 1964,
IN THE 'TEA ROOM' OF THE ASSEMBLY BUILDING, LAHORE.**

I. The following were present:—

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|---|-----|------------------------------|
| (1) Mr. S. M. Sohail, M.P.A. | ... | Chairman. |
| (2) Sardar Ahmed Ali, M.P.A. | ... | Member. |
| (3) Khan Ata Hussain Khan, M.P.A. | ... | Member. |
| (4) Mr. Muhammad Akbar Khan of Paniala, M.P.A. | ... | Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan | ... | <i>Ex-officio</i> Secretary. |
| (6) Mr. S. M. Nasim, C.S.P., Additional Finance Secretary to Government of West Pakistan | ... | Expert Adviser. |
| (7) Mr. S. M. A. Subzwari, P. A. & A. S., Accountant-General, West Pakistan | ... | By invitation. |
| (8) Mr. S. M. Ikram, C.S.P., Secretary to Government of West Pakistan, Auqaf Department | ... | Ditto. |
| (9) Mian Muhammad Shafi, P.C.S., Joint Secretary to Government of West Pakistan, Planning and Development, Department | ... | Ditto. |
| (10) Faqir Syed Sirajuddin, P.C.S., Secretary to Government of West Pakistan, Food Department | ... | Ditto. |
| (11) Mr. Aziz-ul-Haq Masud, P.C.S., Deputy Secretary to Government of West Pakistan, Transport Department, along with Chairman, Road Transport Corporation | ... | Ditto. |
| (12) Dr. K. S. Hameed, Deputy Secretary to Government of West Pakistan, Information Department | ... | Ditto. |
| (13) Mr. Riaz-ul-Haq, Joint Secretary to Government of West Pakistan, Home Department, along with I.-G. of Police Department. | ... | Ditto. |
| (14) Mr. S. R. Poonegar, C.S.P., Deputy Secretary to Government of West Pakistan, Finance Department and Mr. R. A. Akhund, C.S.P., Deputy Secretary, Industries and Commerce Department | ... | Ditto. |

II. The Committee proceeded to examine the explanations of the Departments on paras contained in the Appropriation Accounts for the year 1958-59 in respect of which the Committee decided during its preliminary examination of these accounts at its meeting held on 2nd October, 1963, to call for the explanations of the Department concerned.

AUQAF DEPARTMENT

1. Page 3, Para. 5, read with page 213—

<i>Grant No.</i>	...	40
<i>Head</i>	...	57-Misc—J—12-Auqaf Department.
		Rs.
<i>Final Grant</i>	...	2,76,950
<i>Expenditure</i>	...	2,35,980
<i>Saving</i>	...	40,961

The explanation of the Department was that the saving of Rs. 40,961 was due to non-receipt of debits for works expenditure during the year 1958-59 from Public Works Authorities and that the debit was adjusted in the accounts in the subsequent years.

The Secretary to the Government of West Pakistan, Auqaf Department stated that in the year 1958-59 the Auqaf Department was not in existence and this work was the responsibility of the Home Department, that after the creation of the Auqaf Department this subject was transferred from Home Department to the Auqaf Department; that a sum of Rs. 16,918 has been reconciled by adjustment in the subsequent two years and the remaining sum of Rs. 24,000 and odd is still unreconciled, and that as this amount of Rs. 24,000 and odd is below ten per cent, the Department was not required to give any explanation. The Committee observed that the Committee has always been at pains to explain the correct position regarding explanation in respect of items where the saving is less than ten per cent and in this case again the Committee explained it to the Secretary, Auqaf Department that the rule that explanations are asked for in cases of savings or excesses over ten per cent is the rule of procedure adopted by the Public Accounts Committee for its own guidance, that wherever the Public Accounts Committee asks for an explanation the duty of the relevant Department is to submit an explanation to necessary items; and that in this case explanations having been asked for and the time and attention of the Public Accounts Committee having been already engaged on the subject there was no reason not to explain the remaining saving.

Secretary, Auqaf Department then stated that efforts were made and all the information that has been available is what he has placed before the Committee, and that no further information is available upto now regarding the remaining part of the saving. The Committee observed that the explanation was asked for as far back as the 2nd of October, 1963, which is about twelve months from now and it is a sad commentary on the working of the Auqaf Department that they are unable to collect information for the Public Accounts Committee in the course of a year. The Committee decided that the information regarding saving should be furnished by the Department and in case it cannot be made available the Department should find out the persons who are responsible for the disappearance of records and also report what action they have taken against the delinquents, and this information should be made available to the Committee at its next meeting.

PLANNING AND DEVELOPMENT DEPARTMENT

1. Page 4, Para. 8, read with page 93—

Grant No.	...	14
Head	...	25—General Administration—C—Secretariat and Headquarters Establishment— 12-1-(e) Planning and Development Department.
		Rs.
Original Grant	...	11,46,490
Surrendered	...	2,56,490
Final Grant	...	8,90,000
Expenditure	...	9,22,100
Excess	...	32,100

The explanation given by the Department for the excess expenditure was considered to be satisfactory and the paragraph was dropped.

HOME DEPARTMENT

1. *Page 35, paragraph 12—Misappropriation of cash—Rs. 778*—In this case there was embezzlement of a sum of Rs. 778 in the year 1954, which came to the notice of the Police Department in June 1954, as a result of Audit Inspection Report issued by the Comptroller, Southern Area. The case was registered in the year 1961. *Prima facie* embezzlement of the year 1954 and registration of case in the year 1961 would ask for a convincing explanation. The Inspector-General of Police stated that amount involved is very small and the papers of that period are not available at the moment, and therefore the explanation for this long delay, which he admits would appear to be due, is not available; that the money has since been recovered and the person concerned has resigned and has left the service. The Inspector-General of Police Department, further assured that he has already initiated action against the supervisory staff and those who may be found guilty of laches will be dealt with properly. Considering the special circumstances of this case and the explanation and assurance given by the Inspector-General of Police the Committee decided to drop the paragraph.

2. *Page 38, paragraph III—Secret Service expenditure*—The explanation of the Department was found to be satisfactory and the para. was dropped.

3. *Page 44, paragraph 18(iv)(c)—Delay in disposal of Inspection Reports and Audit Notes*—This relates to the non-compliance of audit notes. The Inspector-General of Police Department, stated that the audit objections have since been disposed of. The Committee decided that this should be checked by the Audit Department. Subject to this, the paragraph was dropped.

4. The remaining paragraphs concerning Home Department were not examined by the Committee due to the absence of the Home Secretary. Mr. Riazul Haq, Joint Secretary, Home Department, stated that the Secretary, Home Department was busy in Court in connection with the Jamat-e-Islami writ petition and, therefore, he was unable to appear before the Committee. He proposed that the paragraph regarding Prisons be taken up. The Committee pointed out to him that the policy of the PAC has been to conduct the proceedings in the presence of the Secretary so that the moral of the lesson which is learnt by these examinations should be implemented in the future regulations of the Department; that if it was only a question of conducting a post-mortem over what happened ten years ago the Committee would have agreed to the procedure pointed out by the Joint Secretary; that the Committee has already dealt with this question at length in one of previous meetings where the Committee decided that the Committee would conduct these proceedings when the Secretaries of the Departments were present except where it was impossible to secure their attendance or the matters were such that they could be disposed of without them.

The Committee felt that in the present case the presence of the Secretary was necessary and decided to defer consideration of the paras to 25th September 1964.

INFORMATION DEPARTMENT

1. *Page 38, paragraph III—Secret Service expenditure*—The Deputy Secretary, Information Department, who represented the Information Department in the absence of the Secretary who had gone to attend the Cabinet Meeting at Rawalpindi explained that the certificate in respect of which the objection was taken by the Audit Department will now be provided because the Government has since taken a decision that the Commissioner, Peshawar Division will be the person who will issue this certificate. He assured the committee to provide necessary certificate to the Auditors soon as possible. The Committee decided to drop the paragraph but observed that if the certificate is not furnished, the Audit will bring this matter again before the PAC at its next meeting.

2. *Page 43, paragraph No. 18 (iv) (i) (a), Serial No. 6—Delay in disposal of Inspection Reports and Audit Notes*—Under this Head the question was that the Department had not taken the necessary action required under the audit notes. The Department explained that the necessary information has been sent to the

Accountant-General. As a copy of it was not available with the Accountant-General, it was decided that a duplicate copy be supplied to him and if it is found satisfactory the matter need not come up before the Committee. The paragraph was, therefore, dropped for the present.

3. Page 43, paragraph 18 (iv)(i)(b), Serial No. 11—*Delay in Disposal of Inspection Reports and Audit Notes*—As the necessary reply has since been furnished by the Department the para. was dropped.

4. Page 3—5, read with page 217—*Non-submission of certificate in respect of Secret Service expenditure of Rs. 15,000*—As the necessary certificate has since been furnished, the para. was dropped.

5. Page 4, Paragraph 8, read with page 94—

Grant No.	..	14.
Head	..	25—General Administration—C—Secretariat and Headquarters Establishment. 12(1)(n) Information Department.
		Rs.
Original Grant	..	2,42,530
Re-Appropriation	..	10,780
Final Grant	..	2,53,310
Actual Expenditure	..	2,59,802
Excess	..	6,492

The explanation was found to be satisfactory and the para. was dropped.

TRANSPORT DEPARTMENT

Page 3, Para. 5, read with page 216—

Grant No.	..	40—Miscellaneous.
Head	..	J-7(b)—H—Expenditure on Bus and Truck Service.
		Rs.
Original Grant	..	32,770
Re-Appropriation	..	(—)4,610
Final Grant	..	28,160
Actual Expenditure	..	22,746
Saving	..	5,414

The Department explained that the necessary vehicles on which expenditure was to be incurred did not move out of Lahore on account of floods. The Committee considered this explanation as wholly unsatisfactory but in view of the fact that the amount was very small, the para. was dropped.

FINANCE DEPARTMENT

1. Page 3, Paragraph 5, read with page 221.

Grant No.	..	41
Head	..	63—Extraordinary Charges.
		Rs.
Final Grant	..	3,02,300
Expenditure	..	2,61,283
Saving	..	41,017

Mr. S. R. Poonegar, Deputy Secretary, Finance Department, who represented the Finance Department, stated that saving was due to the fact that several posts of

several officers remained vacant; that this was one of the re-organisation periods; that the appointments could not be made for one reason or the other, that there is a dual control of the Province and the Centre and even if there is provision in the budget of the Province, the Centre does not sometimes approve of it, and the result is that there are savings; that the same position continues. The Committee recommended that to avoid the re-occurrence of the same position the question of policy should be re-examined in detail and decided by Government. The Committee decided to refer to this question in its report to the Assembly.

2. Page 3, Para. 5, read with page 228—

Grant No.	... 47—Loans and Advances bearing Interest.
Saving	... Rs. 4,00,70,693.

Mr. S. R. Poonegar, Deputy Secretary, Finance Department, stated that the Finance Department was under the impression that the replies and explanations to this objection will be furnished by the spending Departments. It was pointed out to the Committee that in several cases the amounts were saved on account of not being made available to the Department concerned in which case the question of the Department's explanation does not arise at all, and it is the Finance Department alone, who can explain it and that in other cases also where the grants have been made and the spending Departments did not spend them to the extent that the Finance Department exercised control over such expenditures including savings, the Finance Department should furnish the explanation from their point of view. The Committee decided that the Finance Department should furnish explanations which will be considered by the Committee in the next meeting.

3. Page 5, Para. 8—

Grant No.	... 38—Payment of Commuted Value of Pension-Capital Expenditure.
Excess	... Rs. 26,886

Under this item there was an excess of Rs. 26,886 in the budget grant of Rs. 44,61,300. This works out to 0.5 per cent. Under this head, the Audit Department provides figures to the Finance Department regarding payment of pensions and commuted value of pensions, gratuity and other expenses of a fluctuating nature, which is adopted by the Finance Department. Considering the fact that the excess is only 0.5 per cent in a head like this where the expenditure is so much fluctuating, the forecast appears to be very much accurate, and compliments are certainly due to the Audit Department for taking that care in compiling the figures. The Finance Department also did well in accepting the figures provided by the Audit Department as a result of which the expenses have been so near the budgeted amount. With these observations the para was dropped.

4. Pages 4-5, Para. 8—

Grant No.	... 46—Advances not bearing Interest Advances Repayable.
Excess	... Rs. 8,54,757.

There was an excess of Rs. 8,54,757 out of the budget grant of Rs. 12,51,600. The Finance Department did not give any explanations under the impression that they will be submitted by the spending Departments concerned. Mr. Poonegar, Deputy Secretary, Finance Department, assured the Committee that the Finance Department will provide the explanation at the next meeting of the Committee.

5. Pages 5 and 231, Para. 8—

Grant No.	... 48—Suspense.
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Under this head Rs. 1,34,62,47,374 were actually booked against a profit account of Rs. 44,05,02,000. This was noted by the Committee. These figures represent amounts which were booked and adjusted from time to time. No excess demand was involved. The para was dropped.

6. *Page 5, Para. 9—Excess over charged appropriation—*

<i>Head</i>	... <i>Public Debt (Discharged).</i>
<i>Excess</i>	... <i>Rs. 1,87,90,301</i>

Mr. Poonegar, Deputy Secretary, Finance Department, stated that fuller explanations will be submitted by the Finance Department in the next meeting of the Committee.

7. *Page 7, Para. 12(ii)—Surrenders made in excess of total savings under 41—Extraordinary Charges.*

Mr. Poonegar, Deputy Secretary, Finance Department, stated that fuller explanations will be submitted by the Finance Department in the next meeting of Committee.

8. *Page 4, Para. 8. read with page 93—*

<i>Grant No.</i>	... 14
<i>Head</i>	... 25— <i>General Administration.</i>
	... C-12—(b) <i>Finance Department.</i>
<i>Saving</i>	... <i>Rs. 25,747.</i>

Mr. Poonegar, Deputy Secretary, Finance Department, stated that fuller explanations will be submitted by the Finance Department in the next meeting of the Committee.

9. *Page 225 —Provincial Miscellaneous Investments—*

<i>Grant No.</i>	... 45
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Under this head Government invested a large sum of money in commercial enterprises. The profits which these organisations were making were not made available to the Accountant-General. The Committee had directed the Finance Department to furnish details of the profits earned separately by Government on investments in these industries together with a statement on what are the prospects of profits in this investment and whether it is advisable to continue investment in these undertakings.

So far as the investment on the Road Transport is concerned, the Chairman, Road Transport Corporation, furnished the detail of the investments made and profits earned, the degree of efficiency of the Road Transport Service and the desirability and advisability of extending the operation of the Road Transport Service further in view of its high level of efficiency compared to the operations conducted by private operators, the net profits earned by it amount approximately to about 12.4 per cent. It compares very favourably with other Commercial Organisations run by Government. The Committee was very favourably struck by the information supplied by the Chairman of the Road Transport Corporation, and observed that if it had been within the purview of P.A.C.'s jurisdiction, the Committee would have strongly recommended for immediate extension of these services to other areas where the Road Transport Corporation Service is not operating at present. The Committee found that on the top of giving extra facilities to their employees, running an organisation with the limitations with which a Government runs an organisation, their performance is such that their service is invariably preferred by the travelling public and when they are able to show the results by way of profit and efficiency, there does not appear to be any reason, if it is not inconsistent with Government Policy, why the operation of these services should not be extended further. The extension would certainly entail expenditure by Government. It is, therefore, for the Government to take a decision in the matter but considering the fact that this expenditure is badly needed, the Committee recommends the extension. The attention of the Committee was drawn to the fact that sitting as the Public Accounts Committee, the policy making arena is not within its jurisdiction, with which the Committee fully agrees, but the above remarks that have been made and which are

based on the facts as they came to the notice of the Committee deliberations, the Committee has put on record so that if Government at anytime examines this proposition, it may avail of the impressions that the Committee found by examining the working of the Road Transport Corporation in detail in connection with the scrutiny of the accounts of this department.

As for the question that the Accountant-General should be kept informed of the profits the Committee is of view that this would be quite healthy and may permit of scrutiny from the dispassionate and objective angle of the Accountant-General for the purpose of drawing the attention of the PAC to this aspect of the matter for future deliberations of the PAC.

The Committee then examined the details regarding the profits earned by the Small Scale Cottage Industries Corporation, Charsada Sugar Mills Ltd., and the Panjnad Sugar Mills Ltd., and decided to examine this item further in the next meeting.

FOOD DEPARTMENT

1. Page 3, Para. 5.

Grant No.

.. 44—Capital Outlay.

On Provincial Schemes of State Trading.
Rs.

Final Grant

.. 76,43,55,450.

Expenditure

.. 67,95,63,637.

Saving

.. 8,47,91,813.

Food Secretary explained that the money was to be spent on the purchase of foodgrains, but as the food situation was easy, the money was not spent. The explanation was considered to be satisfactory and the para was dropped.

2. Page No. 41.—Schemes of State Trading.—

The Consolidated Running Accounts of the Foodgrains Supply Schemes were not made available to the Accountant-General, West Pakistan. The Secretary Food Department stated that the Department has given two such accounts and that remaining are under preparation and will be supplied shortly. On this undertaking given by the Secretary of the Food Department, the para. was dropped subject to the audit bringing it up to the PAC again if the accounts are not supplied.

3. Pages 43—45.—Delay in the disposal of Audit Notes.

(i) Para. 18(i)(i)(a). Serial No. 12.

(ii) Para. 18(i)(i)(b). Serial No. 9.

(iii) Para. 18(i)(i)(c). District Food Controller.

(iv) Para. 18(i)(i)(d). Serial No. 7.

As replies to Audit Notes have since been given, the para was dropped.

III. The Committee then adjourned to meet again on 25th September, 1964 at 9-00 A.M.

LAHORE :
24th September, 1964

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S. M. SOHAIL
CHAIRMAN,
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON FRIDAY, THE 25TH SEPTEMBER,
1964 IN THE 'TEA ROOM' OF THE ASSEMBLY BUILDING, LAHORE,
AT 9-00 A.M.**

I. The following were present:—

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|--|-----|-----------------------|
| (1) Mr. S. M. Sohail, M.P.A. | ... | Chairman. |
| (2) Sardar Ahmed Ali, M.P.A. | ... | Member. |
| (3) Khan Ata Hussain Khan, M.P.A. | ... | Member. |
| (4) Mr. Muhammad Akbar Khan of Paniala, M.P.A. | ... | Member. |
| (5) Mr. Ghulam Muhammad Shah, M.P.A. | ... | Member. |
| (6) Chandhri Muhammad Iqbal, Secretary, Provincial
Assembly of West Pakistan | ... | Ex-Officio Secretary. |
| (7) Mr. S. M. Nasim, C.S.P., Additional Finance Secre-
tary to Government of West Pakistan | ... | Expert Adviser. |
| (8) Mr. S. M. A. Subzwari, P.A. and A.S. Accountant-
General, West Pakistan | ... | By invitation. |
| (9) Mr. I. U. Khan, C.S.P., S. Pk., Member, Board of
Revenue alongwith I.-Gs. of Registration, Nor-
thern/Southern Region | ... | Ditto. |
| (10) Mr. B. A. Qureshi, C.S.P., Member (Excise and
Taxation), Board of Revenue | ... | Ditto. |
| (11) Mr. A. M. K. Mazari, C.S.P., Secretary, Industries,
Commerce and Mineral Resources Department
with Controller, Printing and Stationery | ... | Ditto. |
| (12) Mr. Niaz Ahmad, C.S.P., Secretary, Home Depart-
ment | ... | Ditto. |
| (13) Mirza Bashir Ahmad, Deputy Secretary, Law Depart-
ment alongwith Solicitor, West Pakistan and Ad-
ministrator-General of Official Trustee | ... | Ditto. |

II. The Committee considered the explanation of the following Departments in respect of audit objections and irregularities appearing in the Appropriation Accounts for the year 1958-59:—

LAW DEPARTMENT

- (1) Page 4, paragraph, 8 read with page 92—
Grant No. 14.

Head 25—General Administration—

B—Legislative Bodies.

	Rs.
Original Grant	... 17,50,000
Surrender	... 8,32,740
Final Grant	... 9,17,260
Actual Expenditure	... 9,22,243
Excess	... 4,983

The explanation was found to be satisfactory and the paragraph was dropped.

(2) As the Law Department was not ready with the needed explanations in respect of other paragraphs, the Committee decided to take up these paragraphs on 28th September, 1964.

INDUSTRIES, COMMERCE AND MINERAL RESOURCES DEPARTMENT

(1) *Page 3, Paragraph 5, read with page 213—*

Grant No. 40.

Head "57-Misc—A Cost of Books and Periodical.

	Rs.
<i>Original grant</i> ...	62,660.
<i>Surrender</i> ...	16,270.
<i>Final Grant</i> ...	46,390.
<i>Actual Expenditure</i> ...	17,156.
<i>Saving</i> ...	29,234.

In this case there was a total grant of Rs. 62,660 to the Industries Department for the purchase of reference books, periodicals and other reading material required to keep the officers of the Department upto-date and fit to tackle problems of the Department from day to day. The Department saved more than fifty per cent. While examining the accounts for the year 1957-58 the Committee has already made its observation on similar saving during 1957-58. The Secretary, Industries Department informed the Committee that they have issued rather a staff circular calling upon all the officers to take the said observations seriously and to surrender the amounts in time if they are unable to spend it. The Committee stressed that what needed spotlighting was correct budgeting and strenuous emphasis on spending every pie of what has been allocated and for the purpose for which it has been allocated; that one can easily imagine the potential loss by the non-purchase of these books and materials which would have improved the officers who were in turn to improve the whole industry of the country; that a partly saving of Rs. 29,234 bears no comparison to the loss that has been occasioned to the nation by the Officers not having read all these books which they would have read if these purchases would have been made. The Secretary Industries Department agreed with the Committee that in this case the whole amount of money allocated should have been spent and he promised to issue another circular drawing the attention of all the Departments and pin-pointing the two important points to be noted in this connection namely, correct budgeting and spending to the pie the amount allocated for the purpose,

With these observations the Committee decided to drop the paragraph.

(2) *Page 3, Item No. 14, read with page 141—*

Grant No. 27—Industries.

	Rs.
<i>Final Grant</i> ...	1,73,35,510
<i>Expenditure</i> ...	1,21,14,866
<i>Saving</i> ...	52,20,644

As the explanation regarding this paragraph was not complete, the Committee decided to defer its consideration to 28th September 1964 when the Department will give complete information.

(3) *Page 3, paragraph 5 read with page 144—*

Grant No. 28—Capital Outlay on Industrial Development—

	Rs.
<i>Final Grant</i> ...	20,00,000
<i>Expenditure</i> ...	2,00,557
<i>Saving</i> ...	17,99,443

The Secretary of Industries Department stated that a sum of Rs. 20 lakhs was provided for setting up of the Department of Mineral Development Corporation and after a sum of rupees two lakhs had been spent this work was transferred to the Central Government and, therefore, the remaining amount of about eighteen lakhs was surrendered. The Committee considered this explanation to be quite satisfactory. The Committee, however, pointed out that this explanation was not put down in the working paper submitted by the Department to the Committee and the plea taken therein was that as the saving was less than ten per cent no explanation was necessary.

With these observations the paragraph was dropped.

(4) *Page 5, paragraph 8, read with page 146—*

Department of Supply and Development—

	Rs.
<i>Grant</i> ...	Nil.
<i>Expenditure</i> ...	1,11,932
<i>Excess</i> ...	1,11,932

Under this item a sum of Rs. 1,11,932 was spent on a Department called the Directorate of Supplies which was set up a few months before the Revolution for what they called, regulating the supplies of essential commodities in the interest of the consumer. There was no provision in the Budget for this Department. The Committee observed that had it been its jurisdiction to go into the desirability of this Department the Committee would have had no hesitation in saying that this was one of those vagries of the former politicians which it was necessary to correct by the Revolution which came in 1958. From what the Committee learnt of the working of this Department, while going into this question, leaves a bad taste in the mouth. What the Committee is concerned with is that an expenditure was incurred for which there was no grant and it was not regularised subsequently. The Audit Department did well in drawing the attention of the Committee to this and the Committee strongly felt that this must be regularised at a very early date, since nothing else can be done except regularising the expenditure which has already been spent. The Committee observed that if the moral of the lesson is also learnt it will be good for the country. The Committee decided that the Industries Department should move the Finance Department to have this irregularity regularised.

With this directive the para was dropped.

(5) *Page 35, Item No. 11. (Loss of Rs. 9,775 due to Rescission of a Contract)—*

The Secretary, Industries Department, pointed out that explanation in respect of this irregularity is to be given by the Home Department. The Committee decided to consider this paragraph on 28th September, 1964 when the Home Department will explain the irregularity. Secretary, Home Department, who was present was informed.

(6) *Page 37—II—Audit of Grants-in-Aid—*

The explanation was found to be satisfactory and the paragraph was dropped.

(7) Page No. 42 to 45—(*Delay in Disposal of Inspection Reports and Audit Notes*)—

The Secretary, Industries Department, stated that replies to all Audit Notes have since been supplied. The Accountant-General, did not accept this position. The Committee decided that the Audit Department should verify the statement of the Industries Department and if any item remained unreplied, the matter may be put up again before the Committee.

Subject to this, the paragraph was dropped.

(8) Page 3, paragraph 5 read with page 193—

Grant No. 39—

	Rs.
Final Grant	... 1,37,62,400
Expenditure	... 1,06,56,687
Saving	... 31,05,713

The explanation furnished by the Department lacked details. The Secretary of the Department promised to furnish details on 28th September, 1964. The matter was, therefore, deferred to 28th September, 1964.

(9) Page 4, paragraph 8, read with page 94—

Grant No.—14—

Head 25—General Administration C-(12)—1(i)—Industries, Commerce and Mineral Resources Department—

	Rs.
Final Grant	... 4,81,140
Actual Expenditure	... 4,86,096
Excess	... 4,956

The explanation was found to be satisfactory and the paragraph was dropped.

EXCISE AND TAXATION DEPARTMENT

(1) Page 3, Paragraph 5, read with page 57—

Grant No. 3—

Head 6—'Opium'—

	Rs.
Final Grant	... 22,95,900
Expenditure	... 17,30,446
Saving	... 5,65,454

The explanation for the saving was found to be satisfactory and the paragraph was dropped.

(2) Page 6, paragraph 12, read with page 60—

(*Supplementary Grant providing partly or wholly unnecessary*)—

	Rs.
Original Grant	... 42,96,920
Supplementary Grant	... 35,340
Surrender	... 7,400
Final Grant	... 43,24,860
Actual Expenditure	... 43,13,181
Saving	... 11,679

The explanation was found to be satisfactory and the paragraph was dropped.

(3) *Page 38, paragraph III—Secret Service Expenditure—*

The explanation was found to be satisfactory and the paragraph was dropped.

(4) *Page 61, paragraph 4, —(Stock Account of Excise 'Opium')—*

The explanation was found to be satisfactory and the paragraph was dropped.

REVENUE DEPARTMENT

(1) *Page 3, paragraph 5, read with page 75—*

Grant No. 12—

Irrigation Establishment Charges—

	Rs.
<i>Final Grant</i>	... 6,53,30,010
<i>Expenditure</i>	... 5,59,13,035
<i>Saving</i>	... 74,16,975

The explanation of the Department for the saving was considered to be satisfactory and the paragraph was dropped.

(2) *Page 3, paragraph 5, read with page 188—*

Grant No. 36—

	Rs.
<i>Final Grant</i>	... 12,02,660
<i>Expenditure</i>	... 9,81,615
<i>Saving</i>	... 2,21,045

In this case the objection was that certain explanations were not furnished by the Department. Mr. I. U. Khan, Secretary Revenue Department stated that the information has since been supplied to the Accountant-General, West Pakistan. The Committee decided to drop the paragraph subject to verification of the explanation by the Audit Department.

(3) *Page 3, paragraph 5, read with page 193—*

Grant No. 39—

Head—56—Stationery and Printing—

D—Purchase of Plain Papers used with stamps—

	Rs.
<i>Original Grant</i>	.. 1,64,560
<i>Re-appropriation</i>	.. —2,210
<i>Final Grant</i>	.. 1,62,350
<i>Actual Expenditure</i>	.. 85,729
<i>Saving</i>	.. 76,621

Mr. I. U. Khan, Secretary, Revenue Department, stated that the Accountant-General did not take into account the amount of Rs. 6,290 surrendered by the Board Revenue and explained the saving of Rs. 70,331 only. The Committee was satisfied with the explanation and decided to drop the paragraph subject to verification by the Audit Department.

(4) Page 3, para. 5, read with page 214—

Grant No. 40—

Head 57—Miscellaneous—

J-7 (c)—Demarcation of Indo-Pakistan Boundary (Member, Board of Revenue.)
Rs.

Original Grant	..	1,56,690
Re-appropriation	..	1,35,720
Final Grant	..	2,92,410
Actual Expenditure	..	1,73,049
Saving	..	1,19,361

The explanation was found to be satisfactory and the Para. was dropped.

Mr. I. U. Khan, Secretary, Revenue Department, promised to look into the matter again and take disciplinary action against the officials who are any way at fault.

(5) Page 3, para 5, read with page 228—

Grant No. 47—

Head—R—Loans and Advances by Provincial Government.

D—Advances to Cultivators—

(Sub-Heads D-1, D-2, D-7 and D-9)—

		Rs.
Original Grant	..	1,73,33,330
Re-appropriation	..	92,75,330
Final Grant	..	2,66,08,660
Actual Expenditure	..	1,29,50,797
Saving	..	1,36,57,863

Under this head there has been a saving of Rs. 1,36,57,863. Mr. I. U. Khan, Secretary, Revenue Department, stated that in this year he required a sum of Rs. 3 crores to fill in the gap of providing taccavi and other loans to cultivators in view of the fact that because of land reforms the land lords were not expected to come forward with these loans to the tenants, and he very rightly considered that it would be right in this case to err on the side of making a very liberal provision than to leave it to the exigencies of circumstances and vagaries of Zamindars. He required this grant to be in the nature of a non-lapsing grant so that whatever amount was utilised, the remaining amount could be utilised in the following years. The Finance Department, however, for reasons of their own, allowed only a grant of Rs. one crore, and that also was in the nature of a lapsable grant like other grants, and further this grant was made available towards the end of the financial year. Further according to the programme of the Land Commission, tenants were to get these lands taken away from the zamindars only after the 30th of June, 1959. For all these reasons the amount could not be utilised and lapsed. Therefore, there was a saving of one crore rupees.

As for remaining saving of 35 lakhs he stated that sum of Rs. 7 lakhs was unnecessarily reappropriated by the Finance Department through an oversight which has been accepted by the Finance Department and the balance of Rs. 29,57,863 was to be spent on a type of items which were of fluctuating nature, such as famine, drought, floods and such like natural calamities and as there were

no such calamities in the year the amount was saved. The explanation was found to be completely satisfactory and the paragraph was dropped.

(6) Page 4, para. 7, read with para. 62—

Grant No. 6.	Rs.
Final Grant	.. 4,84,780
Expenditure	.. 4,94,258
Excess	.. 9,478

The explanation was found to be satisfactory and the paragraph was dropped.

(7) Page 4, paragraph 8 read with pages 96 and 97—

Grant No. 14—

	Rs.
Final Grant	.. 4,15,61,100
Expenditure	.. 4,20,74,635
Excess	.. 5,13,535

Excess of Rs. 45,467 pertain to sub-head "D—Commissioners". By and large this amount was spent on telephone calls necessitated by Martial Law promulgation. Martial Law authorities had set up their offices at various places in the Division and naturally they had to put in telephone calls, which were debited under this head. The explanation was considered to be satisfactory.

Excess expenditure of Rs. 2,14,835 under sub-head "E—District Office Establishment" was due to the fact that the Deputy Commissioners sanctioned temporary posts for recovery purposes in the former Punjab area as they had unrestricted power to create a post for six months in a year. These powers have since been withdrawn in 1963 and no excess for this reason is likely to recur thereafter. Mr. I. U. Khan, Secretary, Revenue Department, accepted that although the Deputy Commissioners have the power to create these temporary posts they should have confined themselves to the budgetary grants, but as the power was there no action against them was called for. The Committee did not agree with his views. The Committee finally decided that the Deputy Commissioners, who were responsible for this, should be called to explain as to how and under what circumstances they sanctioned these appointments and that the individual cases should be examined by Mr. I. U. Khan, himself and in cases where he thinks that the position was not completely covered by rules, he may take necessary disciplinary action.

As for the excess of Rs. 4,64,085 under the Sub-Head "E—Sub-Divisional Establishment" which relates to Hyderabad and Khairpur Division the explanation of the Department is that there was wrong debiting. This may be checked up by the Audit Department and the figures should be reconciled. Mr. I. U. Khan has promised that he will take necessary action for the remaining saving which was the result of mis-calculation.

With these observations the paragraph was dropped.

(8) *Pages 4-5, paragraph 8, read with page 227—*

Grant No. 46—Advances not bearing interest—Advances for flood relief—

	Rs.
<i>Final Grant</i>	Nil.
<i>Actual Expenditure</i>	50,267
<i>Excess</i>	50,267

The explanation was found to be satisfactory and the paragraph was dropped.

(9) *Page 6, paragraph 12, read with page 58—*

	Rs.
<i>Grant No. 4—Amount of Supplementary Grant or Appropriation;</i>	2,19,720
<i>Amount surrendered</i>	2,51,930
<i>Final Saving</i>	1,14,727

The explanation was found to be satisfactory and paragraph was dropped.

(10) *Page 62 read with page 4, paragraph 8—*

4—Store Account of Stamps—

It was stated on behalf of the Department that the Store Accounts of Stamps have been sent to Accountant-General, West Pakistan in January, 1962 and duplicate copies were again sent in May, 1964 and acknowledgment obtained. Subject to the verification by the Accountant-General the paragraph was dropped.

(11) *Page 36, Paragraph 14—*

Misappropriation of Cash—Rs. 7,855.

In this case there was mis-appropriation of Rs. 7,855 and again a sum of Rs. 2,918 in the Districts of Sibi and Lora, respectively. Mr. I. U. Khan, Secretary, Revenue Department stated that the delinquents who were found responsible for the embezzlement have been proceeded against and a departmental enquiry was being held and the case against them was proceeding. It was pointed out by the Accountant-General that in this case two Junior clerks are being proceeded with in the departmental enquiry and further that the embezzlement was pointed out in 1958. The reply of the Department is that this Department was first with the Ministry of States and Frontier Regions who were the appropriate authorities at that time and further that if during the course of enquiry it appeared that some higher officer is also responsible action will be taken against him. The Committee observed that it will be worthwhile for the Revenue Department to examine whether simultaneously with the enquiry going on against the junior Clerks it would be proper to find out if any officer higher than the rank of junior clerks was responsible for this embezzlement. Mr. I. U. Khan assured the Committee that the enquiry is expected to be completed within a month or so and as soon as the enquiry is over he will examine the question again and see if there is also a responsibility of any other superior officer in this affair. The paragraph was dropped.

(12) *Page 36, paragraph 15—*

Unnecessary Locking up of Capital—Rs. 25,000.

In this case necessary action having been taken which was considered sufficient the paragraph was dropped.

(13) *Page 36, paragraph 16 (1) to (4)—*

Cash drawn to avoid lapse of Budget Grants—

As necessary action is being taken by the Revenue Department the paragraph was dropped.

(14) The consideration of the remaining paragraphs of the Revenue Department was deferred for 26th September 1964.

HOME DEPARTMENT

(1) Pages 6 and 7, paragraph 12 (ii)—

Surrenders made in excess of total savings—

	Rs.
<i>A mount of saving</i> ..	4,88,794
<i>Amount surrendered</i> ..	5,03,650

Consideration of this paragraph was deferred for 28th September, 1964.

(2) Page 3, paragraph 5, read with page 213—

*Grant No. 40—**Head—J-8—Rewards to Soldiers, Sailors and Airmen—*

	Rs.
<i>Grant</i> ..	2,500
<i>Expenditure</i> ..	Nil.
<i>Saving</i>	2,500

The explanation was found to be satisfactory and the paragraph was dropped.

(3) Page 93—

*Grant No. 14—**Head—25—General Administration—C—Secretariat and Headquarters Establishment—**C.12.1 (C)—Home Department—*

	Rs.
<i>Final Grant</i> ..	8,00,170
<i>Actual Expenditure</i> ..	9,32,554
<i>Excess</i> ..	1,32,384

Consideration of this paragraph was deferred for 28th September, 1964.

(4) Page 4, paragraph 8 read with page 97—

*Reclamation Department—**Grant No. 14—**Head—25—General Administration—(19) (2)—Reclamation Department—*

	Rs.
<i>Final Grant</i> ..	2,13,030
<i>Actual Expenditure</i> ..	2,13,374
<i>Excess</i> ..	344

The explanation was found to be satisfactory and the paragraph was dropped;

(5) Page 3, paragraph 5, read with page 215—

*Grant No. 40—Miscellaneous—**Head—I—Expenditure on account of State Prisons and Detenues—*

	Rs.
<i>Final Grant</i> ..	15,360
<i>Actual Expenditure</i> ..	8,583
<i>Excess</i> ..	6,777

The explanation was found to be satisfactory and the paragraph was dropped.

(6) Page 44, Items C and D). Delay in disposal of inspection reports and audit notes.—The Home Secretary stated that all audit and inspection reports have already been replied to. Subject to verification by the Audit the para. was dropped.

(7) *Page 38, Secret Services Expenditure (Tribal Affairs Wing).*—The Home Secretary stated that the required certificates have been submitted to the Audit Office concerned. Subject to the verification by the Audit, the para. was dropped.

(8) *Pages 4-5, para. 8, read with pages 118 to 120.*

	Rs.
<i>Grant No. 18 Frontier Regions.—</i>	
<i>Final Grant</i>	... 3,89,58,230
<i>Expenditure</i>	... 4,56,05,040
<i>Excess</i>	... 66,46,810

Under the minor head "B-Works" a sum of Rs. 4,86,840 was granted for the maintenance of non-strategic roads in the Frontier Region. Actually a sum of Rs. 15,82,128 was spent on this venture without obtaining any proper sanction for the same. It is stated that this money was spent out of the funds available at the disposal of the Provincial Public Works Department. It is further stated that the money was spent in the hope that the Central Government would pay the balance of the amount which was being spent. A protracted negotiation went on with the Central Government. The Central Government has now agreed to pay a sum of rupees thirty-six lakhs to cover this amount and some other similar amounts spent on other projects. The expenditure now having been agreed to be paid by the Centre the question now is an academic one, i.e., as to what should have been done even though it is important, because all expenditure should and must be covered by a proper and regular sanction. In this case somebody took the risk of spending a huge amount approximating to Rs. 10,95,788 in the hope that the Centre will pay for it. The end has certainly justified that hope but the irregularity remains and the inherent risk in conducting such operations is manifest.

In view of this, the Committee decided that it should be found out as to who were the officers who were responsible for incurring this expenditure and they should be warned that they should not go in for unauthorised expenditure like this for which there is no cover. If there is any sanction for this work which even though may not be called a very proper and regular sanction but on which a prudent man will act then the matter may be placed again before the Committee before any warning is issued to the officer concerned.

(9) *Page 3, para. 5, read with page 214.*

Grant No. 40 Miscellaneous.

Head—"E-Irrecoverable Temporary Loans and Advances written off- Director of Reclamation and Probation".

	Rs.
<i>Grant</i>	... 1,250
<i>Expenditure</i>	... Nil
<i>Saving</i>	... 1,250

The consideration of this para. was deferred to 28th September, 1964.

III. The Committee then adjourned to meet again on 26th September 1964 at 9.00 a.m.

LAHORE :

The 25th September, 1964.

S. M. SOHAIL

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS, HELD ON 26TH SEPTEMBER 1964 AT 9.00 A.M. IN
THE "TEA ROOM" OF THE ASSEMBLY BUILDING, LAHORE.

I. The following were present :—

- | | | |
|---|----|----------------------|
| (1) Mr. S. M. Sohail,; M.P. A. | .. | Chairman. |
| (2) Khan Ata Hussain Khan, M.P.A. | .. | Member. |
| (3) Mr. Muhammad Akbar Khan, M.P.A. | .. | Member. |
| (4) Sardar Ahmed Ali M.P.A. | .. | Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial
Assembly of West Pakistan | .. | ex-officio Secretary |
| (6) Mr. S. R. Poonagar, C.S.P. Deputy Secretary, to
the Government of West Pakistan, Finance
Department | .. | Expert Adviser. |
| (7) Mr. S. M. A. Subzwari, Accountant-General West
Pakistan | .. | By invitation. |
| (8) Mr. I. U. Khan, Member Board of Revenue, alongwith
Inspector-General of Registration | | Ditto |
| (9) Sheikh Manzoor Ilahi Secretary, to the Government
of West Pakistan, Education Department | .. | Ditto. |
| (10) Mr. Umar Zahid, C.S.P., Deputy Secretary to the
Government of West Pakistan, Services and General
Administration, alongwith Registrar and Addi-
tional Registrar High Court and; Director Anti-Corruption | | Ditto." |

The Committee considered the explanations of the following departments in respect of audit objections and irregularities pointed out in the Appropriation Accounts for the year 1958-59.

REVENUE DEPARTMENT

(1) Page 36, para. 17—*Outstanding Recoveries*—

In this case a recovery of a sum of Rs. 1,23,683 on account of taccavi loans was to be recovered. This recovery, amongst others, was suspended by the Government for certain considerations. The Committee observed that it is necessary for the Department to take a final decision in the matter and specify whether it is intended to write off the recoveries completely or to realise the whole or part of the outstanding, now that sufficient time has lapsed and to intimate the progress to the Audit Department. With these observations the para. was dropped.

(2) Page 36, para. 18—*Unauthorised drawal of money*—

In this case a sum of Rs. 21,120 which stood in the books of Deputy Commissioner's office, Kalat, at the time of audit inspection has subsequently been credited to Government account in the treasury. This irregularity had to be settled earlier. Mr. I. U. Khan, Secretary, Revenue Department, admitted it and stated that they have written to the Commissioner Kalat Division for report and on receipt of the report this irregularity shall be settled. He further stated that as there was delay in pursuing this matter on the part of one of the officials he has taken disciplinary action against the said official. The Committee decided that the progress should be intimated to the Audit and if the matter is settled, it need not come up before the Committee again.

(3) Page 37, para. 19(i.) *Irregular advances to contractor*—

In this case there was a dispute whether the amount actually advanced was Rs. 2,500 or Rs. 2,250. The amount has since been verified. The para was dropped.

(4) *page 37, para. 19(ii)—Irregular advance to Contractor—*

The explanation was considered to be satisfactory and the para. was dropped.

(5) *Page 37, para. 20—Irregular advances and Deposits—*

In this case certain irregularities were committed in Las Bela which have since been reconciled. The A. G. pointed out that this irregularity continued till 1964. Mr. I. U. Khan Secretary, Revenue Department promised to look into the matter and take such action as he considers necessary considering the seriousness of the matter. The Committee decided that the progress will be reported by the Revenue Department to the Accountant-General. Subject to these observations, the para. was dropped.

(6) *Page 37, para. 21—Expenditure incurred beyond sanctioning power Rs. 8901.*

In this case an officer incurred expenses on small items of purchase and repairs etc. exceeding his limit. Mr. I. U. Khan Secretary Revenue Department stated that the officer concerned has already been informed that the procedure adopted by him was irregular and that he will not do so in future. Considering the petty amounts involved, the Committee decided to drop the para.

(7) *Page 43, para 18 (iv) (i) (a)—Delay in disposal of Inspection Reports and audit Notes—*

This para. pertains to replies of audit notes, Mr. I. U. Khan, Secretary, Revenue Department informed the Committee that he is giving his full attention to it and as many as 18 meetings have already been held in this connection, and it is hoped that the objections will be disposed of as early as possible and the Audit Department will be informed. He further stated that in suitable cases where they have found that there have been laches on the part of an officer which is unjustifiable in attending to the audit notes, they have themselves initiated action. The Committee observed that it was really a very healthy line and approved it. The para. was dropped subject to the settlement of the objection with the Audit Department.

(8) *Page 7, para. 12 (iii)—Head 9—Registration—*

Surrender in absence of saving—

Amount of excess, .. Rs. 4,232

Amount of Surrender .. Rs. 9,080

The explanation was considered to be satisfactory and the para. was dropped.

(9) *page 4, para 8, read with page 66—*

Grant No. 9—Head, 11—Registration—

Final Grant .. Rs. 2,58,900

Expenditure ... Rs. 2,63,132

Excess .. Rs. 4,232

The objection under this para pertained to the Inspector-General (South) who was absent in the last meeting when the accounts for 1957-58 were considered. The Committee advised him that whenever there is a question pertaining to his area, he should be present to explain it. As far as this para. was concerned, the Committee was informed that action was being taken against the defaulter. The Committee dropped the para. subject to regularisation by means of excess demand.

EDUCATION DEPARTMENT

(1) *Page 5, para. 8, read with page 226—*

Grant No. 46—Advances not bearing interest. Advances Repayable—

Head—B—Special—

Advances (3)—

Saving Rs. 1,730—

In this case a sum of Rs. 1,730 was granted for "Qarz-e-Hasana" to deserving students. The whole amount was surrendered as not spent. The reason stated by the Department in the working papers was that sanction for incurring this expenditure could not be issued by the former D. P. I. before the close of the financial year 1958-59 as the Finance Department's approval was received by him very late. But the Secretary of the Education Department, stated before the Committee that the Finance Department did not at all give the approval to this expenditure and that the incorrect information was supplied to the Committee on the basis of the incorrect report received from the Regional Director of Education.

The Committee observed that it is of the utmost importance that this Committee is fed with correct facts by the Departments concerned. In this case the Regional Director, Lahore Region, has on the face of it, given a factually incorrect report on the basis of which the working papers were prepared containing incorrect facts. The Committee takes a very serious view of this position and recommends that Education Department should take severe disciplinary action against the officer concerned and to report the same to the Committee at its next meeting.

The Committee regretted the non-utilization of this amount, which would have been of great use to poor students, but as the Finance Department did not give approval to this expenditure, the Committee did not consider the Education Department at fault and dropped the para so far as the Education Department was concerned.

Mr. Poonagar, Deputy Secretary, Finance Department could not give any satisfactory explanation for which the approval was not given by the Finance Department specially when there was a budget provision for it. He promised to look into the matter and to place the explanation of the Finance Department before the next meeting of the Committee.

(2) *Page 34, para 5—Theft of cash Rs. 1,062*—In this case there was a theft of Rs. 1,062 which has since been recovered from the officials at fault. The case was reported to Police who could not trace the accused. The para was dropped.

(3) *Page 34, para 6—Loss of Cash Rs. 1,570*—The explanation was found to be satisfactory and the para. was dropped.

(4) *Page 35, para. 7—Purchase of Store without proper sanction of Rs. 60,762—*

In this case originally the objection was that there was unauthorised expenditure of Rs. 60,762. The expenditure was thereafter regularised and the objection remained regarding a sum of Rs. 3,000 which was spent on the purchase of sofa-sets and niwar beds, etc., for the Government Technical High School at Bahawalpur. The explanation of the Department for this expenditure is that dignitaries visit the school and for their use some sofa-sets were necessary and that the niwar beds were necessary for hospitalising the students of the Institution who fell ill. It was pointed out by the Accountant-General that with the best of intentions also expenditure without sanction remains unauthorised and should not be incurred. Education Secretary stated that in this case an Inspector had sanctioned the expenditure. The Committee decided that the explanation of the Inspector should be asked for by the Education Department and further action be taken against him. Subject to this the para was dropped.

(5) *Page 38, III—Secret Service Expenditure*—As the requisite sanction has been received by the Accountant-General, the para. was dropped.

(6) *Page 239, Serial No. 25—Misappropriation of Cash Rs. 587*—Education Secretary stated that it was not a case of misappropriation and that only certain certificates were missing which have been furnished. The Committee decided to drop the para. subject to verification by the Audit Department.

(7) *Page 239, Serial No. 26—Shortages of Stores Rs. 310*—In this case sanction to the striking off the articles of stores was not produced to the Audit, which according to Education Department has now been done.

The Committee decided to drop the para. subject to verification by the Audit.

(8) *Pages 42-45 (IV)—Delay in disposal of Inspection Reports and Audit Notes—*

The attention of the Secretary Education Department was drawn to the observations of the *Ad hoc* P. A. C. presided over by the Governor of West Pakistan in this matter and he was asked to give top priority to this work and if any officer is found guilty of laches in submitting these replies to stop his salary.

Education Secretary stated that the Education Department have furnished replies to all Audit notes except one. The Committee decided that he should examine the reasons for delay in supplying answers to the Audit Department and where there has been gross delay or negligence take suitable disciplinary action against those who were guilty of negligence. Subject to this and a check by the Audit Departments the para. was dropped.

SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

(1) *Page 4, para. 8 read with page 101—Head "27—Administration of Justice A.D.E. and F.—*

<i>Final Grant</i>	..	Rs. 73,40,410
<i>Expenditure</i>	..	Rs. 75,25,603
<i>Excess</i>	..	Rs. 1,85,193

The Registrar High Court of West Pakistan pointed out that the excess of Rs. 1,37,270 was the result of wrong debiting to head "F—Criminal Courts" road and diet money to witnesses in criminal courts and if this is deducted the net excess will be Rs. 47,923 that the modified grant under this head was Rs. 1,08,000 but the actual expenditure was Rs. 1,32,888. Thus there was an excess of Rs. 28,888 under this head and the remaining excess were under other sub-heads. The Committee was satisfied with the explanation and dropped the para subject to the verification by the Audit Department.

(2) *Page 6, para 12 (i)—Grant No. 15—Administration of Justice—Amount of Supplementary charged appropriation Rs. 1,56,840—*

<i>Final Saving</i>	..	Rs. 1,18,986
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In this case, the saving was due to the fact that there was a change in the financial year and, therefore, further estimates had to be prepared for 3 months and the High Court wanted time for making appropriate and accurate calculations which, however, was not possible as the Government did not allow the same. In these circumstances the High Court, Lahore and Karachi Bench, had only to resort to the means of gross estimates and in doing so they preferred to err on the side of safety of margins rather than on the side of risk and this is how there has been a saving. This explanation was found to be satisfactory and the para was dropped.

(3) *Page 42 (iv) to 45—Delay in disposal of inspection reports and Audit Notes—*

The Registrar of the High Court West Pakistan, Lahore Bench, stated that the replies to Audit notes have been sent and in one case it is under preparation. The Committee decided that the Audit Department should check this. Subject to this, the para was dropped.

(4) *Page 4, para 8 read with page 92—Grant 14, Head 25—General Administration—C—(12)—I—(a)—S. & G. A.D.—*

<i>Final Grant</i>	..	Rs. 33,67,350
<i>Expenditure</i>	..	Rs. 34,11,897
<i>Excess</i>	..	Rs. 42,547

The excess of Rs. 42,547 which approximates to about 1.5 per cent was mostly under the Head 'maintenance of cars, telephones etc,' which expenditure was necessitated on account of imposition of Martial Law. The explanation was found to be satisfactory and the para. was dropped.

(5) *Page 35, para 8—Outstanding Government Dues—*This case related to the recovery of a sum of Rs. 3,102 on account of cost of petrol consumed by Rana Chandar

Singh, Ex-Deputy Minister. As the amount has since been recovered and deposited in Umar Kot sub-treasury in 1962, the para was dropped.

(6) Page 35, para 9—*Loss of Cash Rs. 1,900*—The explanation was considered to be satisfactory and the para was dropped.

(7) (a) Page 4, para. 8 read with page 95—*Grant No. 14—Head 25*

<i>General Administration—C—12—(2)—</i>	Rs.
<i>Final Grant or Appropriation</i>	.. 10,90,750
<i>Actual Expenditure</i>	.. 10,99,800
<i>Excess</i>	.. 9,050—

There has been an excess of Rs. 9,050 which approximates to 0.5 per cent in the Directorate of Anti Corruption Department. The Committee commended such a small excess over estimated amount and found the explanation for the excess to quite satisfactory. The para was dropped.

(7) (b) Page 38 III—*Secret Service Expenditure*—In this case there was a question of production of certificate which has been produced. The para. was dropped.

(8) Page 3, para 5 read with page 213—*Grant No. 40—Misc-Head-J-15—*

<i>Partition Claims—</i>	Rs.
<i>Final Grant</i>	.. 2,10,890
<i>Actual Expenditure</i>	.. 1,66,580
<i>Saving</i>	.. 44,310—

According to decision taken in the Inter-dominion level some payments were to be made to some Muslim contractors. These payments could not be made on account of various reason one of which was that some contractors did not turn up to receive payments. The explanation was considered to be satisfactory and the para. was dropped.

(9) Para 239, Serial No. 28—*Unfinalised cases—*

(i) Items (i) and (ii)

This item pertained to two items of Rs. 8,500 and Rs. 1,765. The sum of Rs. 8,500 was paid by the Thatta Treasury on forged bills and similarly the sum of Rs. 1,765 was paid by Khairpur treasury on forged bills. The attention of the services and General Administration Department was drawn to this aspect of wrong payments by Audit Department in the year 1959. From the explanation submitted by the Department it appeared that no action whatsoever has been taken upto now with respect to the payment of Rs. 8,500 by the Thatta Treasury. The Deputy Secretary, Services and General Administration Department stated that the control of the matter has now been handed over to the Finance Department. The Deputy Secretary Finance Department replied that the Finance Department was not responsible and that the responsibility was that of the Commissioner. The Committee observed that it was a pity that the Secretary of the Department has failed to take any action in the matter of illegal payments on forged bill, for the last 6 years and even up to the Committee stage there is an amount of fiddling, as to who has to take action and whose responsibility it is to take necessary action that in this case it were not only the officers of lower rank who were responsible, but the Secretaries as the Heads of Department, were also responsible for this extreme mismanagement. The Committee decided to report this matter to the Assembly.

It was stated that as far as the amount of Rs. 1,765 paid by the Khairpur Treasury was concerned, there has been preliminary enquiry and it was found that the Treasury officer, Accountant and the Cashier were responsible for neglect of certain financial rules which resulted in this loss to Government and action has been taken against these officials under the West Pakistan Government Servants (Efficiency and Discipline) Rules 1960, and the matter is under correspondence with the West Pakistan Public Service Commission. The Committee observed that the fact that after 6 years when responsibility has been fixed the matter is still under correspon-

dence and the recoveries are to be effected hereafter again provides a sad commentary on the efficiency of the Services and General Administration Department or the Finance Department, whosoever may be concerned with it.

At this stage Mr. Poonegar, Deputy Secretary, Finance Department stated that repeated reminders and teleprinters were sent to the Commissioners concerned, but they had taken no action. In the opinion of the Committee this only aggravated the question because the Commissioners are so much masters of the situation that they do not care for the communications directed to them by the Finance Department. The Committee was of the view that this necessitates some drastic action at a proper level so that proper attention is paid to Government orders in the general enforcement and particularly in cases of recoveries to be effected in cases of embezzlements etc.

Mr. Poonegar then drew attention of the Committee to certain correspondence from which it appeared that some action has been taken and some copies of the judgment have been asked for. It materially changed the whole question. The Committee decided that this matter should come up again before it at the next meeting when full detail should be made available. The Committee pointed out that but for this assistance given by Mr. Poonegar, the working papers that were placed before the Committee contained factually incomplete or inaccurate information and the time of the Committee was wasted in going through these working papers.

(ii) *Item (iii)*—As regards the sum of Rs. 2,281 the explanation was found to be satisfactory and the para. was dropped.

III. The Committee then adjourned to meet again on 28th September, 1964 at 9.00 a.m.

S. M. SOHAIL
CHAIRMAN

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 28TH SEPTEMBER 1964, AT 9-00 A.M.
IN THE 'TEA ROOM' OF THE ASSEMBLY, BUILDING, LAHORE.**

I. The following were present :—

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|---|--------------------------------|
| (1) Mr. S. M. Sohail, M.P.A. | .. Chairman. |
| (2) Khan Ata Hussain Khan, M.P.A." | .. Member. |
| (3) Mr. Muhammad Akbar Khan of Paniala, M.P.A. | .. Member. |
| (4) Sardar Ahmed Ali, M.P.A, | .. Member. |
| (5) Mr. Ghulam Muhammad Shah, M.P.A. | .. Member. |
| (6) Chaudhri Muhammad Iqbal, Secretary Provincial
Assembly of West Pakistan | .. <i>ex-Officio</i> Secretary |
| (7) Mr. Savak R. Poonegar, C.S.P. Deputy Secretary,
Finance Department | .. Expert Advisor. |
| (8) Rana Muhammad Yasin P.A. & A.S. Accountant-
General, West Pakistan | .. By invitation. |
| (9) Mr. Riaz-ul Hassan, P.A. & A.S. Director, Audit &
Accounts Works | .. By invitation. |
| (10) Mr. Mushtaq Hussain Munir, Secretary, Law De-
partment, alongwith Advocate-General and
Solicitor to Government and Administrator
General and Official Trustee West Pakistan | .. By invitation. |
| (11) Mr. A. R. Kazi, Secretary, Irrigation and Power,
alongwith Chief Engineers and Director (Finance)
WAPDA | .. By invitation. |
| (12) Mr. A.M.K. Mazari, Secretary, Industries and Com-
merce alongwith Controller, Printing and Sta-
tionery | .. By invitation. |

II. The Committee considered the explanation of the following departments in respect of audit objections and irregularities appearing in the Appropriation Accounts for the year 1958-59.

LAW DEPARTMENT

(1) Page 6, para 12 read with page 102—

Grant No. 15—Head—27—Administration of Justice—

C—Administrator General, Official Trustees and Official Assignee.—

	Rs.
Original Grant	.. 15,210
Supplementary Grant	.. 1,020
Final Grant	.. 16,230
Actual Expenditure	.. 15,641
Saving	.. 589

The explanations was found to be satisfactory and the para was dropped.

(2) Page 4, para. 8 read with page 101—

Grant No. 15, Head—27—Administration of Justice—B.2—Law Officers
Voted and Authorised—

	Rs.
Original Grant	.. 5,17,870
Re-appropriation	.. 4,730
Final Grant	.. 5,13,140
Actual Expenditure	.. 5,73,315

Excess—Rs. 60,175—

As the working papers regarding this para. were circulated by the Advocate-General in the meeting today, the Accountant-General had no time to verify the explanation of the Department. Consideration of this para. was therefore deferred to the next meeting of the Committee.

(3) *Page 6, para. 12 (i) read with page 101—*

Grant No. 15, Head—27—Administration of Justice—

B-1—Solicitor 15—Department—B-3—Muffasil Establishment—

	<i>Rs.</i>
<i>Original Grant</i>	.. 10,99,790
<i>Supplementary Grant</i>	.. 71,360
<i>Re-appropriation Grant</i>	.. 4,730
<i>Final Grant</i>	.. 11,75,880
<i>Actual Expenditure</i>	.. 10,97,478
<i>Saving</i>	.. 78,402

In this case the objection was that the supplementary grant was wholly unnecessary. The explanation of the Solicitor was found to be satisfactory and the para. was dropped.

INDUSTRIES DEPARTMENT

(1) *Page 3, Item No. 14 read with page 141—*

Grant-No. 27—Head-43—Industries—A. 3 (c) Emerson Institute for the Blind—

	<i>Rs.</i>
<i>Saving—</i>	.. 52,20,644

The Secretary Industries Department stated that this Department was no more concerned with the Institute for the Blind which has been transferred from that Department and is either with Education Department or Social Welfare Department where the records are. The Committee decided that the Department concerned should give explanation for this saving at the next meeting of the Committee.

(2) *Page 35, para. 11—Loss due to rescission of Contract Rs. 9,775—*In this case Toria Oil at the rate of Rs. 56-12-0 per maund was to be purchased for supply to various jails. The drums, which were to contain this oil were to be supplied by the Home Department 1½ months from the date of approval of advance sample. The audit after its examination of the relevant records brought out the fact that the jail authorities failed to supply the empty drums to the contractors within the stipulated period of 1½ months as a result of which the contractor did not supply the Toria Oil at the stipulated rate of Rs. 56-12-0 per maund, and an excess amount of Rs. 9,775 had to be incurred on the purchase of this Oil from the open market.

The stand taken by the Home Secretary is that the Jail Department had supplied the drums within the stipulated period of 1½ months but the contractor still failed to supply the oil, and returned the drums on the plea that they had made an application for the cancellation of this contract; that the Home Department thereafter did not take any further action against anybody and made no efforts to find out as to who was responsible for this bungle, except that they wrote to the Store Purchase Department intimating him the fact that the contractor had failed to supply the Oil. The Committee desired to be satisfied as to what action has been taken against the contractor and what action has been taken against such officers who might be responsible for this loss to Government. The Committee was of the view that this tangle can be solved by the Industries Department only. The Committee

asked the Secretary of the Department of Industries, who was present to look into the matter and after intimation to the audit Department submit the report to the Committee at the next meeting.

(3) Page 3, para. 5 read with page 193—

Grant No. 39—Head—39—Stationery and Printing—	Rs.
Final Grant	.. 1,37,62,400
Expenditure	.. 10,06,56,887
Saving	.. 31,05,713—

In this Department there was a total saving of Rs. 31,05,713 out of which Rs. 17,87,236 was surrendered and Rs. 13,18,477 was further saving. This para was considered by the Committee on 25th September 1964, but as the information given by the Department was incomplete, its consideration was deferred to 28th September 1964. The Department has now given a revised explanation.

The explanation is that the entire surrender and saving was on account of the fact that paper and machinery for which this amount was meant to be spent was not available and could not be procured; that the paper was to be obtained from the Karnafuli paper Mills but the Mills were not in a position to supply that paper.

The Committee observed that when the ground is shifted and after one explanation is submitted another explanation is given, the curiosity at least, if not suspicion, is aroused. In this case, however, the explanation was by and large considered to be satisfactory. The Committee however emphasized that the explanations should be prepared with care after sifting out all the facts and the Department should stick to the explanation that is given by them, and it should not be permissible to shift grounds. With these observations the para. was dropped.

HOME DEPARTMENT

(1) Page 6 and 7 para. 12 (ii)—

Head 42—Civil Defence—Sub-Head—'A'	Rs.
Amount of Saving	.. 4,88,794
Amount Surrendered	.. 5,03,650.

In this case, surrenders were made in excess of saving. The Home Department could not give any satisfactory explanation as to why a large amount of Rs. 5,03,650 was surrendered which resulted in an excess of Rs. 14,856. The Committee decided that the Home Department should give detailed explanation to the Audit who should examine, it, and if the audit is not satisfied with it, then the matter should come up before the Committee in the next meeting.

(2) Page 93—

Grant No. 14, Head 25—General Administration—

C—Secretariat and Headquarter Establishment—

(12) —1—Civil Secretariat—

(C) Home Department—

	Rs.
Original Grant	.. 8,22,860
Surrender	.. 22,690
Final Grant	.. 8,00,170
Actual Expenditure	.. 9,32,554
Excess of	.. 1,32,384

As detailed explanation was not submitted, the Committee decided that this item should also come before the Committee in the next meeting.

- (3) (i) *Page 4-5, para. 8 read with page 118 to 120*
 (ii) *Page 3, para. 5 read with page 214*

The Committee considered these paras partly on 25th September 1964. The Home Department could not furnish the detailed information in respect of these paras. even now and the Committee decided that further explanation be submitted by the Home Department which after verification by the Audit Department should come up before the Committee in its next meeting.

BASIC DEMOCRACY AND LOCAL GOVERNMENT DEPARTMENT.

As the representatives of the Department could not attend the meeting on 25th September 1964, the Committee had deferred the items relating to this Department for 28th September 1964 on which date also the Department remained unrepresented. The Committee had no other alternative but to defer consideration of these items to the next meetings.

IRRIGATION AND POWER DEPARTMENT

III. Consideration of the items regarding Appropriation Accounts for 1958-59 was deferred to the next meeting of the Committee.

IV. The Committee then adjourned to meet again at 9.00 a.m. on Tuesday the 29th September 1964.

S. M. SOHAIL

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON TUESDAY, THE 29TH SEPTEMBER, 1964, IN THE 'TEA ROOM' OF THE ASSEMBLY CHAMBER
LAHORE, AT 9-00 A.M.

I. The following were present—

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|---|-----------------------------------|
| (1) Mr. S. M. Sohail, M. P. A. | .. Chairman |
| (2) Khan Ata Hussain Khan, M. P. A. | .. Member |
| (3) Mr. Muhammad Akbar Khan of Paniala, M. P. A. | .. Member |
| (4) Sardar Ghulam Mohammad Shah, M. P. A. | .. Member |
| (5) Sardar Ahmed Ali, M. P. A. | .. Member |
| (6) Chaudhry Muhammad Iqbal, Secretary, Provincial
Assembly of West Pakistan | .. <i>Ex-officio</i>
Secretary |
| (7) Mr. Savak R. Poonegar, C. S. P., Deputy Secretary,
Finance Department | .. Expert
Adviser |
| (8) Rana Muhammad Yasin, P. A. & A. S. Accountant-
General, West Pakistan | .. By invitation |
| (9) Mr. Riazul Hassan P. A. & A. S. Director Audit and
Accounts (Works) | .. Ditto. |
| (10) Ch. Muhammad Hussain, Director Anti-Corruption | .. Ditto. |
| (11) Dr. Amir Muhammad Khan, Secretary, Health Depart-
ment, alongwith Chief Engineer, P. H. E. D. and
Regional Director of Health Department, Peshawar | Ditto. |
| (12) Mr. Rafiq Inayat, Secretary, Communication and Works
Department, alongwith Regional Chief Engineers | .. Ditto. |

II. The Committee considered the explanations of the following Departments in respect of audit objections and irregularities appearing in the Appropriation Accounts for the year 1958-59:

FINANCE DEPARTMENT

Page. 5, Para 8, read with page—226

Grant No. .. 46—*Advances not bearing interest, Advances repayable.*

B—Special Advances (4) Trap money advances to Anti-Corruption Department.

Rs.

Final Grant .. Nil

Actual Expenditure .. 7,511

Excess .. 7,511

The Director of Anti-Corruption explained that a sum of Rs. 7,511 shown as excess under this sub-head is a part of the total excess of Rs. 8,54,757, in respect of which the Finance Department was called upon to explain; that this small item of Rs. 7,511 is no expenditure at all in as much as it is part of an advance given to the Director, Anti-Corruption Establishment, which is utilised for the purpose of providing money for trap to such persons, who cannot come out with their own that money this money is immediately recovered, deposited in the courts and is again with drawn; and this goes on in circulation, and there can neither be an excess or a loss.

The Committee was satisfied with the explanation.

HEALTH DEPARTMENT

1. Page 3, para. 5, read with page 126 *ibid*—

Grant No.—21 Head, 38—A—Health Services—
Rs.

Final Grant	.. 5,47,21,710
Expenditure	.. 4,75,06,823
Saving	.. 72,14,887

Under this item, out of final grant of Rs. 5,47,21,710 a sum of Rs. 45,87,000 was surrendered, a sum of Rs. 4,75,06,823 was spent and a sum of Rs. 26,27,887 was further saved. The explanation of the Department is that, the causes of saving are already stated at page 126 of the Appropriation Accounts for the year 1958-59. The Committee pointed out to the Secretary, Health Department that had the reasons stated in the Appropriation Accounts been considered satisfactory the Committee would not have asked for further explanation. The Committee was of the view that the reasons given at Nos. (1), (2) and (6) in letter No. 54-B/58-59/7107/B, dated the 29th March, 1960, from the Director of Health, West Pakistan, to the Accountant-General, West Pakistan, which was placed before the Committee, were wholly unsatisfactory and asked the Health Department to furnish detailed explanations in respect of these items, *viz.*, in case of No. (1) information as to what posts were to be filled, what technical personnels were required which was not available and what efforts were made to recruit that personnel, in case of No. (2) what alternative efforts were made by the Department to purchase the requisite medicines, drugs, apparatus, equipment and other articles from open market if they were not available from the Medical Store Depot and in respect of No. (6) why no meeting was held in June and subsequently so that the money could be disbursed and grants made to the local bodies and also to indicate names of the local bodies who did not avail of the grants made to them.

It was decided that the matter will be considered by the Committee again in the next meeting.

2. Page 35, para. 10,—*Embezzlement of Cash*—

The Government has written off the sum of Rs. 55,052 which was embezzled in cash in this Department. Consequent upon the discharge of the accused from the Court, which discharge in turn was due to the reason that the documents which were to prove the embezzlement, were stolen away from the Court, the Secretary, Health Department was unable to take any action. He said that the Department could only take action on the basis of those documents which are no more available. The attention of the Committee was drawn to the fact that the degree of proof that was necessary for departmental proceedings is quite different from the degree of proof that would be necessary for conviction in a court of law with which the Committee agreed. It was pointed out by the Health Secretary that Lt. Col. Rafique A. Khan, A. M. C., was appointed to make the enquiry but letter dated 9th April, 1962, from Lt. Col. B. A. Syed, Director Health Services to the Secretary, Health Department revealed that the Inquiry Officer showed his inability to hold the departmental enquiry into the charges of mis-appropriation of Government money in the defunct Punjab Public Health School, Lahore, due to non-availability of the relevant record. The Committee was of the opinion that in this case if there was no conspiracy amongst men, there was conspiracy of circumstances in favour of the accused and those who might be responsible for this defalcation and embezzlement. The Committee was altogether dissatisfied with the way in which this matter had been handled by the Health Department. The Committee was of the view that if all the evidence that was available from the Officers who were serving the Department and others would have been collected and if after collecting and shifting that evidence it would have appeared that nobody, except the man who had already resigned and who escaped punishment, was responsible and that no evidence was available of a type which would warrant conviction, then the Com-

mittee would have been satisfied but it was unfortunately not done. As in the opinion of the Committee it is of the utmost importance that in cases of embezzlement and defalcation a higher degree of vigilance and diligence should be exercised by the higher officers than what has been done in this case. The Committee decided to refer this case in the report to the Assembly.

3, Page 37, Chapter II—GRANT-IN-AID—

As the required certificate has since been furnished the para. was dropped.

4. Pages 42—45, Para. (iv)-A.E.—*Delay in Disposal of Inspection Reports and Audit Notes*—Under this head out of 93 Audit Notes, replies of 25 were actually outstanding. The attention of the Secretary of the Department was drawn to the fact that this was a very serious matter and should entail the severest disciplinary action on the part of those who were guilty of laches in not providing the replies to these Audit Notes. The Secretary of the Department categorically assured the Committee and the Committee took this assurance from him for the last time, that this item will be cleared within 4 months and if at the end of 4 months any of these notes are still pending, forthwith disciplinary action shall be taken against the officials responsible for not replying to the Audit Notes. With these observations the item was dropped, but if any Audit note remains unanswered, the Audit will bring it before the Committee.

5. Page 239, Item No. 29—*MIS-APPROPRIATION OF CASH*—This item relates to a case of embezzlement of a sum of Rs. 4,197 pertaining to some years after 1952 and before 1957. The Regional Director, Peshawar, Mr. Aziz Malik, who is a new man to that Region stated that he had consulted all the records and he had also brought quite a heap of papers with him and after consulting the records he was in a position to give a very detailed account of the story in connection with this embezzlement. The final position was that there has been some misposting and not an actual embezzlement. The Committee decided that Clerk who was responsible for this misposting as a result of which so much time of the Committee and the Department and other officers has been wasted should be called upon to explain and suitable disciplinary action must be taken against him by the Regional Director and the result reported to the Audit Department.

The Committee observed that it was a healthy rule of practice that the Head of the Office has not only to sign the cash book every month and to certify the correctness of the book, but he has to initial every single entry; that a strict observance of this practice may perhaps avoid an incident like this, and that this may be taken care of in future and the Secretary may, if he considers it proper, issue a circular to all Heads of Offices to strictly conform to this practice.

With these observations the para. was dropped.

6. Page 240, Para. No. 30—*SHORTAGE OF STORES*—This is a case where a Store Keeper who resigned was relieved while there was a shortage of Rs. 3,669 worth of stores. The relief was ordered by the Deputy Director, N. W. F. P., who has since retired. The charge was taken over by a compounder, Muhammad Nawaz, who is still in service. The Store Keeper was handed over to the Police and a criminal case is proceeding against him. The Deputy Director, as stated above, has retired and the compounder appears to be much too small a fry to be put responsible of having exercised his mind as to what should be done when there was a shortage of stores.

As the matter is being taken care in a Court of Law the matter was dropped.

7. Page 9-10, Para. No. 17 (a)-(i)—*expenditure on works in anticipation of Technical sanction to the estimates*—The explanation was considered to be satisfactory and the para. was dropped.

8. Page No. 17, Para. 8—*Non accounting of Material worth Rs. 2,70,001*—The admitted position in this case was that the rules regarding the acquisition and accounting of tools and plants have not been observed, and these materials and

machinery were not brought to account on the appropriate register for one year. A list of the material and machinery, however, was maintained on a separate register and the explanation of the Department is that it was not brought on the relevant register because of the fact that the estimates were not sanctioned. The Committee observed that it is always necessary to observe the rules and that the fact of the estimates not having been sanctioned hardly made any difference. Mr. A. G. Sheikh, Chief Engineer, assured that he will notify the rules in his Department and he will also carefully go through them himself so that there is no irregularity in future.

On this assurance the para. was dropped.

9. *Page 46, Para. 18 (iv) (ii)—Delay in disposal of inspection reports and Audit Notes*—As all the replies have since been forwarded to the Audit Department, the para. was dropped.

10. *Item No. 4, Page 46, Para. 18 (v)—Arrears in accounts documents and returns*—As all the replies have since been forwarded to the Audit Department, the para. was dropped.

11. *Page 151-152—Store accounts of Buildings and Roads Department—Grant No. 31.*

The para was dropped subject to Finance Department's Sanction being provided.

The Committee then adjourned to meet again on the 23rd November, 1964.

LAHORE :
The 29th September, 1964. }

S. M. SOHAIL
CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 23rd NOVEMBER, 1964 IN THE
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING,
LAHORE.**

I. The following were present —

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|---|-------------------------------------|
| (1) Mr. S.M. Sohail M.P.A. | .. Chairman. |
| (2) Sardar Ahmed Ali, M. P. A. | .. Member. |
| (3) Khan Ata Hussain Khan, M.P. A. | .. Member. |
| (4) Mr. Muhammad Akber Khan, M. P. A. | .. Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan | <i>Ex-Officio</i>
.. Secretary.; |
| (6) Mr. S. R. Poonegar, C. S. P. Deputy Secretary to Government of West Pakistan, Finance Department | .. Expert Adviser |
| (7) Rana Muhammad Yasin, P. A. and A. S. Accountant-General, West Pakistan | .. by invitation. |
| (8) Mr. Niaz Ahmed, C. S. P., Secretary, Home Department alongwith other Officers of the Department. | .. Ditto. |
| (9) Mr. Mushtaq Hussain Munir, Secretary, Law Department alongwith other Officers of the Department | .. Ditto. |
| (10) Col. K. M. Sana, Joint Secretary, (Public Health) Health Department | .. Ditto. |
| (11) Mr. S. M. Hasan, C. S. P., Deputy Secretary, Services and General Administration Department | .. Ditto. |
| (12) Mr. S. M. Ikram, C.S.P., Secretary to Government of West Pakistan, Aqaf Department | .. Ditto. |
| (13) Mr. A. M. K. Mazari, Secretary, Industries and Commerce Department alongwith other Officers of the Department | .. Ditto. |
| (14) Mr. S. Mouhsin Tirmizi, Deputy Secretary, Basic Democracies and Local Government Department | .. Ditto. |
| (15) Mr. Amir Ahmed Khan, S. K. Joint Secretary (Forests) Agriculture Department alongwith other Officers of the Department | .. Ditto. |

II. The Committee considered the explanations of the following departments in respect of Audit objections and irregularities appearing in the Appropriation Accounts for the year 1958-59.

HOME DEPARTMENT

(1) Page 93—Grant No. 14—General Administration—C—(12)—1—(C) Home Department—Excess Rs. 1,32,384.

The Actual expenditure under this Head, as pointed out by the Accountant-General, West Pakistan, was Rs. 9,32,384 which would lead to the inference that there was an excess of Rs. 1,32,384, under this head. The Home Department produced a letter, dated the 26th October, 1959, from the Accountant-General to the Secretary, Home Department, pointing out that the expenditure stood at Rs. 7,94,621 and asking for confirmation. This was confirmed by the Home Department under their letter, dated the 14th March, 1960. Taking the stand on this communication, the Home Department pointed out that instead of there being an excess there was actually a saving of Rs. 5,549. This stand, however, did not appear to the Committee to be quite correct for the reason that subsequently under a letter, dated 15th July 1961, the Accountant-General had asked for confirmation of the figure of Rs. 9,32,554, as the correct figure representing actual expenditure. His record did not show that this was confirmed by the Home Department. The Accountant-General stated that the records in his office showing the details

of the expenditure have since been destroyed on account of fire but the accounts maintained in the Home Department could show as to what was the correct actual expenditure. It was pointed out on behalf of the Home Department that the registers showing the actual expenditure were not traceable in the Department. But while the discussion proceeded, it appeared that these records were of a permanent nature and they could not be destroyed and that if diligent efforts were made to search them out they could be located. The Committee decided that the Home Department should find out from their records the correct actual expenditure and reconcile the same with the Accountant-General. The Committee felt that after such re-conciliation the correct position will be brought out and it may not be necessary to bring this matter again before the Committee.

(2) *Page 3, para. 5 read with Page 214—Grant No. 40—Misc.-E—Irrecoverable Temporary Loans and Advances written off—Director of Reclamation and Probation—Saving Rs. 1,250—*

The explanation was considered satisfactory and the item was dropped.

(3) *Pages 4-5, para. 6 read with Pages 118-120—Grant No. 18—Frontier Regions—Excess Rs. 66,46 810—*

Secretary, Home Department, stated that they had taken over the work relating to Frontier Regions in 1960 whereas this expenditure refers to 1958, that he has done his best by sending out a Section Officer each to Karachi and Peshawar to find out as to how this money was spent without necessary sanction and budget provision but has been unable to get any assistance from the officers at Karachi and Peshawar to explain the objection. No explanation was, therefore, available before the Committee as to how this irregularity was committed. The Committee observed that the irregularity by itself was very serious as it entailed a huge amount of sixty six lakhs. The Committee gave all the time and opportunity to the Home Department to explain it but with the best efforts that they could put in they were unable to render any further assistance.

In these circumstances the Committee decided to refer to this matter in their report to the Assembly.

INDUSTRIES—HOME DEPARTMENTS

Page 35—Item 11—Loss due to rescission of a contract Rs. 9,775—

In this case there was a loss of Rs. 9,775 as drums for the supply of Toria Oil were allegedly not supplied by the Jail Authorities to the Contractor within the stipulated period of 1½ months from the date of approval of the advance sample as a result of which the commodity had to be purchased from the open market resulting in the loss. From the records produced by the Secretary, Industries it appeared that the intimation regarding approval from the Jail Authorities was received on 9th January, 1957 and, therefore, the last date for the supply of drums was 24th February, 1957. The Jhelum Jail authorities wrote a letter dated 20th June, 1957 to the oil supplying firm stating that they had despatched the necessary drums,—vide their letter, dated 4th April, 1957. The Committee observed that from the construction of this letter read with on the spot investigation conducted by the Accountant-General's staff as a result of which they have stated in their report that the drums were supplied late, it was obvious that the drums were not supplied within the stipulated time.

At a meeting of the Public Accounts Committee held on 28th September, 1964, the stand taken by the Home Department was that the Jail Authorities had supplied the drums within the stipulated period. The statement which was made at the level of the Secretary appeared to the Committee to be highly irresponsible and the committee observed that it should not have been fed with such incorrect information.

The Committee found that the Jail authorities were squarely responsible for not having supplied the drums as a result of which there was a loss of Rs. 9,775.

The Committee observed that the fact that no action, whatsoever had been taken by the Department against the concerned Officers, was very unfortunate. The Committee decided to refer to this matter in its report to the Assembly.

The Committee further decided that if, in the meantime, Secretary, Home, can find out some data to show that the Jail authorities had supplied these drums in time, he may forward that material to the Secretary of the Public Accounts Committee.

INDUSTRIES—EDUCATION DEPARTMENTS

Page 3 Serial No. 14 read with page 141—

Grant No. ... 27—*Industries—A. 3(e) Emerson Institute for the Blind.*

Saving ... Rs. 52,20,644.

Secretary Industries Department stated that as he explained in the meeting held on 28th September, 1964 the relevant records of the Institution have been transferred to the Education Department and it was for that Department to explain this item. The Committee noted that although the Committee had directed the Education Department at its previous meeting held on 28th September, 1964 to submit the explanation for this saving, the Department did neither submit any working papers nor any officer of the Department was present in the meeting.

LAW DEPARTMENT

Page 4, para. 8 read with page 101—

Grant No. ... 15—*Administration of Justice-B-2—Law Officers.*

Excess ... Rs. 60,175.

The Accountant-General stated that this matter was under re-conciliation with the Law Department. The Committee decided to defer consideration of this item to the next meeting.

HEALTH DEPARTMENT

Page 3, para. 5 read with page 126—

Grant No. ... 21—*Health Services.*

Saving ... Rs. 72,14,887.

Col. K. M. Sana, Joint Secretary, Health Department, who represented the Health Department made a statement that the replies to the objections which had been compiled by his Department had been examined by him and he found that they needed further examination before he would like to present them to the Committee. The Committee accepted his statement and deferred consideration of the item to the next meeting.

FINANCE DEPARTMENT

1. *Page 239—*

Serial No. ... 28—*Unfinalized Cases item Nos. (i) & (ii).*

The committee dealt with this matter at length at its meeting held on the 26th September, 1964. It was then pointed out by Mr. Poonegar, Deputy Secretary, Finance Department, that some action had been taken but he did not have the complete correspondence. The Committee had decided this matter to come up again before it at the next meeting.

Mr. Poonegar stated that in February, 1964, the Commissioner, Hyderabad Division, had given them the names of the delinquents and ever since February, 1964, they have been writing to the Commissioner, Hyderabad Division, to point out the rules under which action was to be taken and also requesting him to send them a complete copy of the inquiry report which has not been done upto now.

The Committee observed that the year 1964 was coming to a close and it was a sad commentary on the working of the Finance Department that for two years after the judgement and after the communication of the names of the delinquents, no action could be taken because nobody could point out the rules under which action had to be taken and the necessary inquiry report was not available to the Finance Department in spite of the fact that the Finance Department has been sending numerous teleprinter messages to the Commissioner, Hyderabad, as stated by Mr. Poonegar.

The Committee considered it necessary to examine Mr. Abu Nasir, Commissioner, Hyderabad Division, in this matter and directed that he should appear before the Committee at the next meeting of the Committee with all the records of the case including the judgement and the inquiry report and should be ready to answer questions pertaining to this treasury defalcation.

As for the Khairpur defalcation the Committee was informed that the matter was under finalization. The Committee decided that this matter should also come up before the Committee at the next meeting when the Officers concerned should be present for examination.

AUQAF DEPARTMENT

Page 3, para. 5 read with page 213—

Grant No. .. 40—Misc-Head—57—Misc-J-12
Auqaf Department.

Saving .. Rs. 40,961.

The explanation was found to be satisfactory and the para. was dropped.

BASIC DEMOCRACIES AND LOCAL GOVERNMENT DEPARTMENT.

1. *Page 3, para. 5—*

Grant No. .. 40—Miscellaneous.

The Basic Democracies and Local Government Department furnished supplementary details in respect of the explanation for the saving of Rs. 44,42,159. As this information had not been supplied to the Accountant-General, West Pakistan, in advance he could not examine it and give his comments. The Committee decided that the item should be brought before it at its next meeting.

2. *Para. 'C', page 44—*

Delay in disposal of Inspection Reports and Audit Notes—

The Committee decided that the Department should make all efforts for the disposal of outstanding audit notes and 93 serious financial irregularities which were still outstanding with as much expedition as possible and the action taken by the Department in regard to the 93 serious financial irregularities should be reported to the Committee at its next meeting.

AGRICULTURE DEPARTMENT

1. Twenty-two items pertaining to the Appropriation Accounts for the year 1957-58 in respect of Agriculture were to be examined by the Committee today. The joint Secretary of the Department stated that their records in respect of most of these items were still with the Anti-Corruption Department and, therefore, the Department was not in a position to furnish the necessary explanations. The Committee decided that these items should be taken up at the next meeting of the Committee when the Agriculture Department will prepare new working papers and furnish the same to the Secretariat of the Committee in advance.

2. *Page 3, para 5 read with page 65 of the Appropriation Accounts for 1958-59—*

Grant No. .. 8—Capital Outlay on Forest.

Saving .. Rs. 8,47,597.

The Committee observed that in spite of the fact that the Committee at its last meeting asked for the explanation to be full and containing all details, the

explanation furnished by the Department hardly gave any details of the items on which savings had been effected. The Committee decided that the copies of the correspondence with the P. I. D. C. and Director-General Supply and Development should be furnished by the Department to the Accountant-General, West Pakistan and the names of works which could not be completed for want of certain materials be intimated to him. These details may then be examined by the Accountant-General, West Pakistan and if there is anything with which he is not satisfied the matter should come up again before the Committee at its next meeting.

3. Joint Secretary (Forest) stated that the records of the Department in respect of items in respect of Appropriation Accounts for 1958-59 pertaining to Agriculture Wing are with the Anti-Corruption Department. The Committee decided to defer consideration of these items to the next meeting of the Committee.

4. The items pertaining to the Animal Husbandry Wing of the Agriculture Department relating to the year 1958-59 could not be considered as the working paper had not been supplied by the Department in advance. The Committee decided that these items should also be taken up at its next meeting.

III. The Committee deferred the consideration of the remaining items pertaining to the Finance Department to 24th November, 1964.

IV. The Committee then adjourned to meet again on 24th November, 1964 at 9-00 a.m.

LAHORE :

The 23rd November 1964

S. M. SOHAIL

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 24TH NOVEMBER, 1964 IN THE
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING,
LAHORE.

I. The following were present:—

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|---|-------------------------------------|
| (1) Mr. S. M. Sohail, M.P. A. | ... Chairman. |
| (2) Sardar Ahmed Ali, M. P. A. | ... Member. |
| (3) Khan Ata Hussain Khan, M. P. A. | ... Member. |
| (4) Mr. Muhammad Akbar Khan, M. P. A. | ... Member. |
| (5) Mr. Ghulam Muhammad Shah, M. P. A. | ... Member. |
| (6) Chaudhri Muhammad Iqbal, Secretary, Provincial
Assembly of West Pakistan | ... <i>Ex-Officio</i>
Secretary. |
| (7) Mr. S. M. Nasim, C.S.P., Additional Finance Secretary
to Government of West Pakistan | ... Expert Advisor. |
| (8) Rana Muhammad Yasin, P. A. & A. S. Accountant-
General, West Pakistan | ... By Invitation. |
| (9) Mr. S. R. Poonegar, C. S. P., Deputy Secretary to
Government of West Pakistan, Finance Depart-
ment | ... By Invitation. |

II. The Committee considered the explanations of the Finance Department in respect of Audit objection and irregularities appearing in the Appropriation Accounts for the year 1958-59.

1. Page 3, para. 5 read page 228—Grant No. 47—Loans and Advances bearing Interest.

Savings ... Rs. 4,00,70,693.

(1) The Finance Department explained that a major portion of the savings was due to WAPDA not surrendering the amount of Rs. 2,36,53,700 nor utilizing it. The Finance Department had asked WAPDA to furnish the explanation for this saving to the Accountant-General, West Pakistan and thereafter to bring it before the Committee but the WAPDA failed to do this. The Committee decided that this item should be brought before it at the next meeting and the concerned Officers should be asked to attend the meeting to explain the savings.

(2) There was a saving of Rs. 9,45,125 under Sub-head "Loans to Government servants". Explanation given by the Department for this saving was considered to be satisfactory.

(3) Saving of Rs. 1,36,57,863 under sub-head "Advances to cultivators" had already been explained in the meeting held on 25th September, 1964 when the item was dropped.

2. Pages 4-5, para. 8, read with pages 226-227—Grant No. 46—Advances not bearing interest—Advances—re-payable.

Excess ... Rs. 8,54,757.

(1) The excess of Rs. 7,511 was on account of trap money advanced to Anti-corruption Department which was explained by the Director Anti-corruption at the last meeting and the explanation was considered satisfactory.

(2) The excess of Rs. 50,267 was with regard to "Advances for Flood Relief" which was explained by the Member, Board of Revenue, at the last meeting and the explanation was considered satisfactory.

(3) The excess of Rs. 1,730 relates to "Advances to students of Bahawalpur State studying in various institutions—Education Department". This was dropped by the Committee.

(4) The remaining items are:—

(i) Advances to students of Bahawalpur studying in various institutions—Health Department (Saving Rs. 20,986) and Agriculture Department (Saving Rs. 17,875);

(ii) Advances to Board of Management Muslim Education Cess Fund (Excess Rs. 1,57,333); and

(iii) Advances for purchase of blasting powder (Excess Rs. 93,311).

The Committee decided that the Departments concerned in these cases should be asked by the Finance Department to appear before the Committee at the next meeting and furnish the necessary explanations.

3. Page 5, para. 9

Excess over charged appropriation.

Serial No. 4, "Public Debt (Discharged).

Excess

... Rs. 1,87,90,301

The Committee decided to consider this item at its next meeting.

4. Page 7, Para. 12 (ii)

Surrender made in excess of total

Savings 41—Extraordinary charges

The explanation was found to be satisfactory and the item was dropped.

5. Page 4, para. 8 read page 93—

Grant No. 14 Head 25-GA-C—12(b) Finance Department.

Excess

... Rs. 25,747

Excess on voted grants.

The Committee decided to consider this item at its next meeting.

6. Page 225.

Grant No. 45.

Provincial Miscellaneous Investments.

The Committee decided to consider this item at its next meeting.

III. The Committee then decided to hold its next meeting on the 5th, 7th and 8th December, 1964 at 12 noon each day when items relating to the Finance Department in respect of the Appropriation Accounts for the year 1958-59 will be taken up.

IV. The Committee then adjourned to meet again on 5th December, 1964.

LAHORE :

The 24th November 1964. }

S. M. SOHAIL

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD AT 9-00 A.M. ON 15TH FEBRUARY, 1965
IN THE COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING,
LAHORE**

1. The following were present :—

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| (1) Mr. S. M. Sohail, M. P. A. | .. Chairman. |
| (2) Khan Ata Hussain Khan, M. P. A. | .. Member. |
| (3) Mr. Muhammad Akbar Khan, M. P. A. | .. Member. |
| (4) Sardar Ahmed Ali, M. P. A. | .. Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan | .. <i>Ex-officio</i> Secretary. |
| (6) Mr. S.M. Nasim, C.S.P., Additional Finance Secretary | Expert Adviser. |
| (7) Mr. S. M. A. Subzwari, P. A. and A. S. Accountant-General, West Pakistan | .. By Invitation. |
| (8) Mr. A. A. K. Babar, P.A. and A.S. Director Commercial Audit | .. By Invitation. |
| (9) Mr. Abdul Qayyum, C.S.P., Chairman, Road Transport Corporation | .. By Invitation. |
| (10) Mr. Syed Nazir Ali Shah, Joint Secretary (Electricity) to Government of West Pakistan, Irrigation and Power Department alongwith other officials | .. By Invitation. |

2. The Committee in the first instance considered letter No. IV-5—8 (IV)/63-64 (XI), dated the 13th February, 1965 from the Industries, Commerce and Mineral Resources Department and letter No. 201—65/250-EXII, dated the 12th February, 1965 from the Additional Secretary, Excise and Taxation, Board of Revenue, West Pakistan, requesting for the postponement of the consideration of the items relating to their Departments. The Committee decided to examine the items relating to Industries, Commerce and Mineral Resources Department on the 20th February, 1965 and to defer examination of the items pertaining to the Excise and Taxation Department to its next series of the meetings to be held in March, 1965.

3. The Committee then considered the explanation of the Road Transport Corporation in respect of irregular issue of spare parts pointed out at page 351, para. 306 of the Commercial Accounts for 1957-58. This item was considered by the Committee at its meeting held on 2nd September 1964 when the Chairman, Road Transport Corporation promised to fix responsibility for the irregularity and report the act on taken to the Committee at its next meeting. As the report of the Road Transport Corporation was not submitted either to the Director, Commercial Audit or to the Committee, the Chairman Road Transport Corporation, promised to look into this matter and to take disciplinary action against the officials concerned for the non-submission of the report. The Committee decided to reconsider this item on the 20th February, 1965 and directed the Chairman, Road Transport Corporation, to make a full and complete statement as to how and why the matter was delayed and what action, if any, he had taken against the officials who were responsible for the delay.

4. The Committee then considered the explanations of the Departments in respect of Audit objections and irregularities pointed out in the Commercial Accounts for 1958-59.

ROAD TRANSPORT CORPORATION

1. *Page 8 (ii), para. 18 (xviii)—Accounts of the Government Transport, Khairpur*—As the Accounts of this concern are being included in the compilation for the year 1963-64 the para. was dropped.

2. *Page 81, para 82—Writing of the loss of Rs. 43,500*—This is a case where a brand new Bus worth Rs. 43,500 was burnt down after having been used only for 23 days. Sometime after the accident the driver of the bus made a report at the police station in which he stated that the whole bus including the engine had been completely burnt down and the cause of the fire as alleged by him was that somebody had thrown a burning stub of cigarette on the roof of the bus. He had also stated in that report that as water was not available he tried to extinguish the fire by throwing sand on the burning part of the bus but it was of no avail and the bus was burnt down.

Sometime afterwards the technical officer of the organisation was sent out to enquire into the case of the fire, to assess the damage and to give a full report on the cause of the fire and the extent of damage done to the bus. He reported that the engine and the gear box were completely in order and he experimented it by having the engine started and it started immediately. He found that there was a loss of Rs. 17 to 18 thousand which according to him would be cost of repairs and the rebuilding of the body. This officer made no mention as to whether the fire fighting equipment provided in this bus was or was not made use of. As the driver's report stated that they used sand to extinguish the fire, it was presumed that that equipment was not utilised for the purpose for which it was installed in the bus. It was urged on behalf of the Corporation that even if the equipment was used it would have been of no avail in view of high wind and stormy weather. The Committee was of the view that this explanation was nothing more than a conjecture. The Committee observed that the equipment meant for extinguishing fire should certainly have been used for what was it worth and if it was used perhaps it would have been effective because from the records it appeared that only a few baskets were there on the top of the roof of the bus which caught fire.

Be as it may, the Corporation has written off the sum of Rs. 43,500, which means that the entire value was written off. The Chairman, Road Transport Corporation, was unable to explain the reasons for which the entire amount was written off. He promised to check up from the records and to furnish full details including the disposal of the engine and the junk of the body to the Committee at its meeting to be held on 20th February, 1965.

The Committee observed that the way in which this enquiry was conducted and the complacent manner in which the Chairman just wrote "I agree with the report of the technical officer" and thereby dropped the Incident as closed was far from satisfactory because it was obvious that the fire fighting equipment was not used and those who were responsible for not using it should have been taken to task. It was also obvious that the driver gave a false report to the police when he said that the engine also had been completely burnt down. The incident happened so long ago that it is difficult now to get at things but one is left helplessly guessing in a situation like this that there was something fishy and possibly the new bus not taken good care of deliberately for some ulterior motive. The Committee decided that the Chairman, Road Transport Corporation, should look into the matter when he examines the records from this point of view also and enlighten the Committee as to what are his impressions. If he comes to the conclusion that some persons had bungled and if he can lay his hands on them no pains should be spared in doing so.

3. *Page 81, para. 83—Embezzlement of Stores worth Rs. 25,285*—In this case the delinquents have been punished by the court. The Head Store Keeper had furnished fidelity bonds in favour of the Corporation of three Insurance Companies to guard against defalcations of this nature. The Corporation had put in its claim against one Company and made realisations but it did not proceed to put in

claims against the other two Companies till the 22nd October, 1964. The Committee on perusal of a similar fidelity bond placed before it found that the usual provision in the policy is to file the claim within three months from the date of the discovery of fraud. If this is so, the claim would appear to be time barred against the two Companies.

The Committee considered this to be a serious matter and recommended that the officer or the officers who have been negligent in not preferring the claims within time should be dealt with severely and made responsible for this loss. The Chairman, Road Transport Corporation, was asked to take suitable action in this matter under intimation to the Audit who may bring this matter before the Committee, if necessary. Subject to this, the para. was dropped.

4. Page 82, para. 84—*Misappropriation of Rs. 5,497*—The explanation was found satisfactory and the para. was dropped.

5. Page 82, para. 85—*Over-payment on account of Road Tax*—The over-payment made has since been recovered and the Chairman, Road Transport Corporation, informed the Committee that he had taken certain measures inside the system to ensure that such things do not happen in future. The para. was, therefore, dropped.

6. Page 109, para. III—*Physical verification of Stores*—The Chairman, Road Transport Corporation, stated that he had started departmental enquiries which were in progress and were likely to be finished in a few months time. The Committee decided that the result of the departmental enquiries should be communicated to the Audit and the Audit may, if necessary, bring up the matter again before the Committee. The Committee desired that the Chairman should ensure that the causes which led to this type of misappropriation are removed so that there is no recurrence to this abuse and inform the Audit of the steps so taken.

7. Page 134, para. 124—*Decrease in Profits*—The Chairman, Road Transport Corporation, explained the causes of decline in the profits which were considered satisfactory. The Audit wanted to verify the correctness of certain statements made on behalf of the Corporation. The Committee decided that the Audit may do it during its next audit. Subject to this the paragraph was dropped.

8. Page 135, para. 126—*Physical verification of Stores*—The explanation was considered satisfactory and the para. was dropped.

9. Page 150, para. 137—Same remarks as against para. 124 (item 7 above).

10. Page 168, para. 147 (ii)—Same remarks as against para 124 (item 7 above).

11. Page 168, para. 148—*Surplus and obsolete Stores*—The Chairman, Road Transport Corporation, has got prepared a complete list of the articles to be disposed of and as and when they are disposed of he will report the fact to the Audit for examination. The Audit may bring up this matter again before the Committee if it is necessary. Subject to this, the para. was dropped.

12. Page 184, para. 161—Same remarks as against para. 124 (item 7 above).

13. Page 237, para. 210—*Non-verification of Stock*—The explanation was considered satisfactory and the para was dropped.

14. Page 296, para. 246—*Decrease in the profits*—Same remarks as against para. 124 (item 7 above).

IRRIGATION AND POWER DEPARTMENT

1. Page. 7—11, para 18 (ii)—*Non-compilation of accounts of Electricity Scheme in Peshawar and D.I. Khan Divisions*—The Committee decided that the Department should compile the accounts expeditiously, submit the same to the Audit for verification and bring the matter before the Committee when it considers the Commercial Accounts for 1959-60.

2. Page 10, para. 18, item No. XII—*Non-compilation of the accounts of the Moghalpura Irrigation Workshops Division*—The Committee was informed that the accounts have since been prepared and sent to the Audit. The para. was dropped.

3. Page 10, para. 18, Item No. XIII—*Incorrect compilation of the accounts of the General and Steel Mills Moghalpura*—The Department stated that it has prepared the accounts afresh and submitted the same to the Audit. The Audit pointed out that the accounts has not been prepared correctly and suffered from the same defects which were pointed out to the Department earlier. The Committee decided that the Department should prepare the accounts correctly, submit the same to the Audit and report the matter to the Committee when it considers the accounts for 1959-60.

5. The Committee deferred consideration of the items relating to Agriculture, Industries and Commerce and Home Departments to 20th February, 1965.

6. The Committee then adjourned to meet again at 9-00 a.m. on Tuesday the 16th February, 1965.

S. M. SOHAIL

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD AT 9-00 A.M. ON 16TH FEBRUARY, 1965
IN THE COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING,
LAHORE.**

1. The following were present:—

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| (1) Mr. S. M. Sohail, M. P. A. | .. Chairman. |
| (2) Khan Ata Hussain Khan, M. P. A. | .. Member. |
| (3) Sardar Ahmed Ali, M. P. A. | .. Member. |
| (4) Mr. Muhammad Akbar Khan, M. P. A. | .. Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan. | <i>Ex-officio</i> Secretary. |
| (6) Mr. S. M. Nasim, C.S.P., Additional Finance Secretary | Expert Adviser. |
| (7) Mr. S. M. A. Subzwari, P. A. & A. S., Accountant-General, West Pakistan. | By Invitation. |
| (8) Mr. Nazir Ahmed Chaudhri, P. A. & A. S., Director, Audit and Accounts (Works), West Pakistan. | By invitation. |
| (9) Mr. Rafiq Inayat, C.S.P., Secretary to Government of West Pakistan, Communications and Works Department alongwith regional heads of Department and other Officers. | By invitation. |

2. The Committee in the first instance considered the explanations of the Communications and Works Department in respect of certain irregularities pointed out in the Appropriation Accounts for 1957-58 which were partly considered in the previous meetings but further details were asked for from the Department.

1. Page No. 15, Para. 17 (a) (3) (4)—*Shortage of Timber worth Rs. 10,997*—The Committee decided to examine Mr. Muhammad Sharif Bhatti, Superintending Engineer and Mr. A. A. Esker, Executive Engineer (now Superintending Engineer) at its meeting to be held on the 19th of February, 1965.

2. (i) Page No. 22, Para. 17 (a) (14) (5)—*Irregular carriage charges to the extent of Rs. 10,516*—(ii) Para. 17 (a) (14) (6)—*Irregular payment worth Rs. 2,196*—An award has been given by the Arbitrator which has not been made available to the Audit. The Committee decided that a copy thereof be handed over to the Audit for their examination and deferred consideration of the matter to 19th February, 1965.

3. Page 23, Para. 17 (a) (15) (2)—*Cost of material not recovered*—Secretary, Communications and Works Department stated that an inquiry in this matter was completed on 10th February 1965. The Enquiry Officer has found the following amounts payable to Government by the firms noted below:—

	Rs.
Ali Brothers	7,205
Haji Muhammad Nazeer & Co.	38,254
Messrs. Muhammad Latif Tazdin	4,380
Total	47,839

He has exonerated the officers concerned on the ground that they had acted consistently with the Government policy in such matters. As the Secretary, Communications and Works Department and the Chief Engineer, Lahore Region had not examined the report of the Inquiry Officer they asked for more time to enable them to go through the report and to place their views before the Committee. The Committee deferred consideration of the matter to 19th February 1965. The Committee desired that the Secretary, Communications and Works should also examine the question of discrepancy between the total amount found due and the amounts, which were supposed to be due from the Contractors.

The Committee further directed that a copy of the Enquiry Report should be supplied to the Audit.

4. *Page 23, Para. 17 (a) (15) (5)—Cost of material not recovered Rs. 8,230—*Secretary, Communications and Works Department stated that the matter was still under enquiry. The Committee decided that the result of the enquiry should be intimated to the Audit who may pursue the matter with the Department.

5. *Page 23, Para. 17 (a) (15) (6)—*Same remarks as in respect of Para. 17 (a) (15) (2) (item 3 above).

6. *Pages 57-58, Para. 18 (iii)—Arrears in Accounts, Documents, and Returns—*The Chief Engineer, Bahawalpur Region, stated that he has completed his enquiries in respect of delay in submission of Audit returns. He has recommended to Government on 14th February 1965 for charge sheeting the officers in six cases. In four cases, he has received the replies from the Officers concerned that they had prepared the returns and had sent them. In these four cases, he has called upon the officers to furnish documentary evidence to the effect that they had prepared and sent the requisite returns. In one case, the report of the Superintending Engineer was awaited, and the remaining cases were dropped, because he thought that the explanations were satisfactory. The Committee considered the progress quite satisfactory. The Committee recommended that action on the cases submitted to Government should be expedited.

The Chief Engineer further stated that Five Divisional Accountants were held responsible for non-submission or late submission of accounts. Explanations have been called for from them. Three have submitted their explanations, which have been sent to the Department concerned for their comments. The explanations of two were considered incomplete and they had been called upon to complete the explanations. When the explanations are complete, they will be sent to the Department concerned for comments.

As for Lahore Region, 18 names were pointed out by Circle Officers as being persons who had defaulted in sending these returns. Out of these eighteen cases, nine had been selected for charge-sheeting and actually charge-sheets were being prepared for service when in all these cases replies were received from the concerned Officers that they had prepared the returns and sent them in time. In this situation, the matter is again being looked into by the Chief Engineer to find out how far their replies are correct. The Committee stressed the necessity of expediting the matter under intimation to Audit.

7. *Page 19, Para. 17(a) 6 (3)—Mis-appropriation of Material—*In this case, 1294 square feet of brass sheets were taken away by the Contractor in excess of the quantity that had been supplied by him to the Department in the form of brass strainers. The Chief Engineer, Bahawalpur Region assured the Committee that the value of this quantity of brass sheets will be realised from the Contractor or from the official who was responsible for making this excess issue at market rate or stock rate whichever rate is higher. He further assured the Committee that if during the course of inquiry it appeared that there was any fraud involved in the transaction, he would take suitable disciplinary action against the official found guilty. The Committee decided that the Department should keep the Audit informed of the recovery and dropped the Para. Subject to its being brought again before the Committee if the Audit was not satisfied.

8. *Pages 173-174, Grant No. 29—Civil Works, Item No. 9—Delay in recovery of cost of Materials found short—*It was stated on behalf of the Department that the amount had been recovered. Subject to recovery being verified by the Audit, this Para was dropped. The Chief Engineer assured the Committee that if he was satisfied that there was some mal-practice involved, he would take suitable disciplinary action against the official found guilty.

9. *Page 7 read with page 165, paragraph 8—Grant No. 29—Civil Works—Excess of Rs. 1,98,79,428—*The consideration of this paragraph was deferred.

III. The Committee then considered the explanations of the Communications and Works Department in respect of savings and excesses pointed out in the Appropriation Accounts for 1958-59.

1. Page 3 read with page 214, para. 5—Grant No. 40—Miscellaneous—Sub-Head F-4—Other charges—Saving Rs. 24,083—The explanation was considered satisfactory and the para. was dropped.

2. Page 4 read with page 93, Para. 8—Grant No. 14—25—General Administration—C—Secretariat and Head Quarter Establishment—(12)—1—Civil Secretariat—(h) Excess Rs. 35,675—The explanation and account for excess expenditure with full details was not furnished by the Department. The Committee decided that the details should be furnished to the Audit who, if they are not satisfied, might bring up the matter again before the Committee.

Subject to these observations the para. was dropped.

3. The Committee decided to consider the remaining items in respect of grants in the next series of meeting to be held in March, 1965.

IV. The Committee then considered the explanation of the Communications and Works Department in respect of irregularities pointed out in the Appropriation Accounts for 1958-59.

1. Pages 9-10, para. 17 (a) (1)—Expenditure on work in anticipation of Technical sanctions to estimates—Peshawar Region—Out of a total of 1678 works involving a cost of Rs. 7,06,10,773 which were undertaken without technical sanction, only 14 works involving an amount of Rs. 6,68,225 are still without sanction. Efforts are being made to regularise these 14 works. Secretary, Communications and Works Department informed the Committee that in fact 5 cases have already been regularised and efforts are being made to regularise the remaining 9 also and that he is taking all pains to have the remaining 9 items regularised. In view of this clear undertaking the para. was dropped subject to all the remaining items which need regularisation being regularised and scrutinised by the Audit. In case the Audit considered it proper they might again bring it up before the Committee while the Accounts for the year 1959-60 are examined by it.

2. Page 14, para. 17 (a) (4) (7)—Undue Financial Aid to Contractor—The explanation was found satisfactory and the para. was dropped.

3. Page 16, paragraph 17 (a) (5) (10)—Fictitious stock adjustment—The explanation was found satisfactory and the para. was dropped.

4. (i) Page 46, para. 18(iv) (ii)—Delay in disposal of Inspection Reports and Audit Notes, Public Works Offices in Peshawar Region—(ii) Page 46—48, para. 18 (v)—Arrears in Accounts Documents and Returns in Peshawar Region—(iii) Page 152, Item No. 8—Result of stock verification and revaluation in Peshawar Region—The Department claimed to have cleared all returns except one stock return which was also ready for scrutiny by the Audit. Subject to scrutiny by the Audit the paras. were dropped.

5. Page 149, Item No. 4—Grant No. 30—Civil Works—Suspense—The clearance of suspense accounts in the Bahawalpur, Quetta and Peshawar Regions had been satisfactory. So far as Lahore Region was concerned, there were heavy outstandings, but it was due to the fact that Lahore was a very heavy region. The Committee desired that the Department should try to clear the suspense accounts as expeditiously as possible.

Secretary, Communications and Works Department explained that the Hyderabad Region had also made a valiant effort to clear the suspense accounts. The Committee decided that all the regions should get together to clear the suspense as a whole, and the item should come up at the next meetings in March, 1965.

6. Page 151, Item No. 8—Grant No. 30—Civil Works—Store Accounts of the Buildings and Roads Department—Under this head, the store accounts for the Northern and Eastern Regions have been received in full. In Central, Southern and Western Regions nine, six and five accounts respectively still remain outstand.

ing. Secretary, Communications and Works Department stated that all the accounts have also been sent and that they are pending scrutiny of the Audit.

The Audit pointed out that in the case of certain divisions, sanction to the reserve limit had not been accorded. In Central Region, the amount involved was Rs. 2,79,170 and in the Southern Region the amount was Rs. 14,81,017. Secretary, Communications and Works Department stated that even in the Southern Region, the reserve limit had been sanctioned. The Department should reconcile the position with the Audit and if there is still anything, the matter might come up again before the Committee in its meetings to be held in March, 1965.

There was an excess over the reserve limit of stock to the tune of Rs. 67,12,420 of which a major share for the central region was to the extent of Rs. 32,65,440. Secretary, Communications and Works Department stated that the excess had been regularised in all the regions except in one case, i.e. of Quetta Region. The Committee decided that this may also be regularised and the position reconciled with the Audit.

7. *Page 184, Item No. 5—Sale of stores in contravention of Government Orders—*The explanation was found satisfactory and the para was dropped.

8. *Page 232, Annexure—Item No.1 (iii)—*The Audit stated that this paragraph had been transferred to the Accounts for the year 1962-63, and would be dealt with when the accounts for that year come up before the Committee.

9. *Page 11, para. 17 (a) (2) (1)—Overpayment of Rs. 11,013—*In this case the question was of the recovery of Rs. 11,013 which had been over-paid to two contractors. The Chief Engineer, Lahore Region, stated that the amount had been recovered and verified by the Audit. By way of disciplinary action, he had stopped the increments of six officials, namely, one Sub-Divisional Clerk, one Auditor, one Clerk and two Overseers. One Overseer had been served with a recorded warning. As for the Divisional Accountant, his increment had also been stopped for one year.

The explanation was found satisfactory and the para was dropped.

10. *Page 11, para. 17 (a) (2) (5)—Excess payment of Rs. 1,278—*The recovery of Rs. 1,278 had since been made and verified by the Audit. The explanation was found satisfactory and the para was dropped.

11. *Page 12, para. 17 (a) (3) (4)—Shortage worth Rs. 4,163—*A sum of Rs. 1,385 had already been recovered and the balance was being realised in instalments of Rs. 100 per month from the Overseer whose salary is about Rs. 300 per mensem. This official was suspended in another case and warned in that case and re-instated. He has about twenty years more to serve and, therefore, the dues are likely to be recovered. The para was dropped.

12. *Page 13, para. 17 (a) (3) (11)—Shortage of Steel worth Rs. 7,362—*A sum of Rs. 4,479 had been realised in this case which, according to the Department, was the money that was to be realised. The Audit pointed out that the realization should have been made at a higher rate. On consideration of the whole case, the Committee found that the realization had been made at the correct rate and therefore, the para. was dropped.

13. *Para. 17(a) (4) (6), page 14—Undue Financial Aid to the Contractor.*

14. *Para. 17 (a) (5) (1), page 15—Fictitious Stock Adjustment.*

15. *Para. 17 (a) (5) (3), page 15—Fictitious Stock Adjustment.*

16. *Para. 17 (a) (5) (4), page 15—Fictitious Stock Adjustment.*

17. *Para. 17 (a) (5) (5), page 15—Fictitious Stock Adjustment.*

18. *Para. 17 (a) (5) (7), page 15—Fictitious Stock Adjustment.*

19. *Para. 17 (a) (5) (8), page 16—Fictitious Stock Adjustment.*

20. *Para. 17 (a) (5) (9), page 16—Fictitious Stock Adjustment.*

21. *Para 17(a)(6)(1), page 16—Mis-appropriation of Government Material.*

22. Para. 17(a)(6)(2), page 17—*Mis-appropriation of Government Material.*

23. Para. 17(a)(6)(3), page 17—*Mis-appropriation of Government Material.*

24. Para. 17 (a)(6)(4), page 17—*Mis-appropriation of Government Material.*

25. Para. 17 (a) (7) (3), page 17—*Irregular payments.*

26. Para. 17 (a) (7) (4), page 18—*Irregular payments.*

Explanations of the Department in respect of items 13 to 26 above were found satisfactory and the para. were dropped.

V. While examining the accounts it was pointed out that the Audit Department while preparing the Appropriation Accounts deal with the grant as a whole and not region-wise. When the para. of the Appropriation Accounts comes before the Committee and an explanation of the Department is asked for the working papers are prepared by different regions and come up before the Committee region-wise. This causes inconvenience to the regions as well as to the Committee. It was suggested by the Secretary, Communication and Works Department that if the Audit were to make sub-paras. pertaining to the different regions in the main para, relating to the submission of accounts, returns, reports, etc., that would facilitate matters. The Committee felt that the Audit might take this into consideration and if possible, act accordingly in the preparation of Appropriation Accounts from 1963-64 on wards.

VI. The Committee then adjourned to meet again on 17th February 1965 at 9-00 A. M.

LAHORE
Dated 16th February 1965

S. M. SOHAIL,
CHAIRMAN,
Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD AT 9-00 A.M. ON 17TH FEBRUARY, 1965 IN
THE COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING,
LAHORE.

I. The following were present:—

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|--|----|-----------------------|
| (1) Mr. S. M. Sohail, M. P. A. | .. | Chairman. |
| (2) Khan Ata Hussain Khan, M.P.A. | .. | Member. |
| (3) Mr. Muhammad Akbar Khan, M.P.A. | .. | Member. |
| (4) Sardar Ahmed Ali, M. P.A. | .. | Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial
Assembly of West Pakistan. | .. | ex-officio Secretary. |
| (6) Mr. Nazir Ahmed Chaudhri, P.A. & A.S. Director,
Audit and Accounts Works, West Pakistan | .. | By invitation. |
| (7) Mr. Rafiq Inayat, C.S.P. Secretary to Govern-
ment of West Pakistan Communications and
Works Department along with the regional heads
of Departments. | .. | By invitation. |
| (8) Mr. M. S. Memon, Deputy Chief Engineer (Build-
ings and Roads) Agricultural Development Cor-
poration | .. | By invitation. |

II. The Committee considered the explanations of the Communications and Works Department in respect of the Audit objections and irregularities pointed out in the Appropriation Accounts for 1958-59.

(1) Page 18, Para 17 (a) (9) (1)—*Loss of Slack Coal Worth Rs. 17,100—342 8 tons of slack coal worth Rs. 17,100 was declared unserviceable but reasons thereof were not available in the records. The Chief Engineer, Lahore Region, stated that the result of all enquiries made was that this was worthless coal which was supplied to the Department at a lower rate than the market rate and the justification given for supplying this useless coal was that they had got it on a lower rate. From all the offers invited for resale of the coal it appeared that the stuff which was left over to be utilised was any thing but coal and it had lost its necessary ingredients and its calorific value. The Department is now making efforts to have this item written off.*

The Committee pointed out that at least in Government trading a better standard of commercial ethics should be followed and at the mine's end some care should certainly have been taken to ensure that the stuff which was being loaded had some fuel value, for otherwise it was useless to carry all that stuff from the mines right up to the kilns and thereby waste extra energy and money on carrying a useless thing.

With these remarks the para was dropped.

(2) Page 19, Para 17 (a) (12)—*Irregular hiring of typewriters to avoid sanction of higher authorities—The explanation was found satisfactory and the para was dropped.*

(3) Page 19, Para 17 (a) (13)—*Unauthorised employment of work-charged establishment—In this case a sum of Rs. 36,050 was spent on the employment of work charged establishment. There was no provision for this in the sanctioned estimate. A perusal of the original estimates shows that a provision for this was made but this was scored out by the Chief Engineer. The only reasonable conclusion from that scoring out could be that either he thought that this item was not at all needed or he did it to bring the sanctioned amount within the limits of his powers. If the position was that after having applied his mind he thought that this item was not necessary and yet the money was spent on it the irregularity was serious enough. But if he scored it out just to bring the valuation of the project within the limits of his sanctioning power it was a more serious matter. The Committee has pointed out many times in the past that what an Officer cannot do directly within the limits of his own power he should not try to do indirectly by circumventing the rules and by going round.*

The Audit pointed out that at that time the permissive excess over the amount of administrative approval was 5% but the Chief Engineers Bahawalpur and Quetta were of the impression that the permissible increase available to the Chief Engineer was 10%. Be that as it may, the Committee was quite satisfied that even if this was so, this fact was not within the knowledge of the Chief Engineer and perhaps he did it to bring the amount within the limits of his powers.

Some attempt has been made to regularise the expenditure but it appears that the expenditure has not yet been fully regularised. Efforts should be made to do so. The Chief Engineer, Mr. Inamullah Khan, who was responsible for this irregularity is no more in the Department and he is now a member of the Public Service Commission.

Considering the fact that such expenditure is almost a necessary concomitant of any work the Committee did not consider it worth while to examine him and to proceed with the matter any further. The para was therefore dropped subject to regularisation of the expenditure under intimation to the Audit.

4. *Page 19, Para 17 (a) (14)—Temporary embezzlement of Government money—*The explanation was found to be satisfactory and the para was dropped.

5. *Page 19, Para 17 (a) (15)—Irregular Adjustment—*The explanation was found to be satisfactory and the para was dropped.

6. *Page 20, Para 17 (a) (16)—Loss of Rs. 51,544 to Government—*In this case an Executive Engineer accepted a cheque as earnest money instead of taking treasury challan or cash deposit. Secretary, Communications and Works Department stated that this was an irregularity and a salutary rule was violated but he pointed out that in this case tenders had been invited five times before and a situation had been reached where there was a desperate need of the work being done, and considering all the aspects of the matter to which he had given very anxious consideration, he was of the view that there were extenuating circumstances in the case not to proceed against the officer concerned. The Committee agreed with him and the para was dropped.

(7) *Page 184, Item No. 5—Sale of Stores in Contravention of Government Orders—*The explanation was found to be satisfactory and the para was dropped.

(8) *Pages 9-10, Para 17 (a) 1—Expenditure on works in anticipation of technical sanction to the estimates—Bahawalpur Region—*The explanation was found to be satisfactory and the para was dropped.

9. *Page 11, Para 17 (a) (2) 2—Excess payment to Contractor due to unauthorised premium—*The explanation was found to be satisfactory and the Para was dropped.

10. *Page 11, Para 17 (a) (2) 3—Overpayment on Account of excess measurements—*The explanation was found to be satisfactory and the para was dropped.

11. *Page 11, Para 17 (a) (2) 6—Excess Payment on Rs. 3,487/5/—*The explanation was found to be satisfactory and the para was dropped.

12. *Page 12, Para 17 (a) (3) 2—Shortage of stores—*In this case a sum of Rs. 19,925 was to be recovered out of which only Rs. 974 have been realized. Nine employees of the Department had to make up the shortage. The Chief Engineer, Bahawalpur Region, stated that action against five of them had been completed and against the remaining four it was in progress. The major sum, amounting to Rs. 6,358 is to be realised from Mr. Ali Muhammad. Action under the West Pakistan Government Dues Recovery Ordinance 1962 is being taken for the recovery of the dues. As the matter is being diligently pursued by the Department the Committee decided to drop the para subject to recoveries being reported to the Audit who may if necessary, bring up this matter before the Committee again.

13. *Page 12, Para 17 (a) (3) 3—Shortage of Stores—*In this case a total recovery of Rs. 14,652 was to be made out of which Rs. 2,120 had been recovered and the balance was being recovered by monthly instalments from Mr. Abdur Rashid, an Overseer, at the rate of Rs. 100 per month. The recovery will be watched by the Audit. Subject to this the para was dropped.

(14) *Page 13, para 17 (a)(3)12—Misappropriation of Stores worth Rs. 9,56,125—*The Chief Engineer stated that the misappropriation was not worth Rs. 9,56,125 but in the vicinity of Rs. 5,01,425 which figure he arrived at on the basis of the latest enquiries. He was, however, not very certain about it and was pursuing this enquiry further. He had appointed a Board of Enquiry to sift out the matter and he expected results from it. The Chief Engineer further stated that as some necessary documents of this case were with the anti-Corruption Department he was handicapped in pursuing this enquiry.

Secretary, Communications and Works Department stated that this matter was being pursued not only in a vigilant but in a very diligent manner. The Committee hoped that this matter would be pursued diligently and brought to some conclusion under intimation to the Audit. The Committee decided that this matter should come up before it again when it considers the accounts for the year 1959-60.

(15) *Page 13, para 17 (a) (4) 2—Undue Financial aid to Contractor Rs. 7,329—*In this case, a sum of Rs. 7,329 which was to be recovered had been recovered. The official concerned had been administered a warning which according to the Audit was inadequate. The Chief Engineer stated that he himself wrote to the Superintending Engineer regarding the inadequacy of the punishment but the Superintending Engineer was of the view that in the circumstances of this case the punishment given by him was adequate. The para was dropped.

(16) *Page 14, para. 17 (a) (4) 3—Loss of Rs. 12,160 to Government—*In this case, the Superintending Engineer passed an order for the realisation of Rs. 12,160 from the contractor by way of penalty. He, subsequently changed this order and reduced the amount to Rs. 1,824 which amount had since been realised. The Audit pointed out that as the Superintending Engineer had no revisionary powers he could not change his previous order and reduce the amount. The Committee was of the view that this was a very solitary rule of practice and the departures from it might result in reducing this provision to an engine of oppression and result in corruption of very wide order and at a very high level which was most undesirable. The Committee tried to find out as to who was the officer concerned but could not get his name. The Committee was cognizant of the fact that there may be cases where the observance of this rule may cause hardship but was sure that this can only happen if the officer concerned does not act judiciously. The Committee was of the view that as government has got residuary powers to intervene the government will necessarily intervene in a matter where a party has been arbitrarily made to suffer. The Committee desired that the Chief Engineer should consider the question whether the balance of the amount should be realised either from the contractor or from the officer concerned or it should be written off and submit a report to the Government giving his opinion as to what should be done.

In view of the principle involved and the possibility of recurrence and misuse of these powers by the Superintending Engineers the Committee considered it advisable for Government to issue a circular to all Superintending Engineers drawing attention to the provisions of the contract and very clearly instructing them to take decisions in the first instance very judiciously because thereafter they do not have the power to revise it.

This matter should be brought before the Committee again when it considers for the year 1959-60.

(17) *Page 15 para 17 (a) (5) 2—Fictitious Stock Adjustment—*The explanation was found to be satisfactory and the para was dropped.

(18) *Page 15, para 17 (a) (5) 6—Fictitious Adjustment of Stores—*The explanation was found to be satisfactory and the para was dropped.

(19) *Page 18, para 17 (a) (7) 5—Irregular and un-authorised payment of Rs. 1,358/15 to Contractor—*The explanation was found to be satisfactory and the para was dropped.

(20) *Page 18, para 17 (a) (8) 2—Arrears of Rent of Buildings—*The explanation was found to be satisfactory and the para was dropped.

21. Page 18, para. 17 (a) (10)—*Recovery of Rs. 10,872*—The explanation was found to be satisfactory and the para was dropped.

22. Page 19, para. 17 (a) (11)—*Stacking of Bricks*—The explanation was found to be satisfactory and the para. was dropped.

Pages 46—48, Sub-para. (ii) and (v)—*Arrears in Accounts Returns including Inspection Report. Audit Notes and Test Audit Notes—Bahawalpur Region*—The explanation was found to be satisfactory and the para was dropped.

24. Page 9, para 17 (1)—*Expenditure on works in anticipation of technical sanction to the estimate—Quetta Region*—The explanation was found to be satisfactory and the para was dropped.

25. Page 46, para 18 (iv) (ii)—*Delay in disposal of Inspection Reports and Audit Notes—Quetta Region*—The explanation was found to be satisfactory and the para was dropped.

26. Pages 46—48, para. 18 (v)—*Arrears in accounts, documents and returns—Quetta Region*—The explanation was found to be satisfactory and the para was dropped.

27. Page 149, item 4 under Grant No. 30 Civil Works—*Suspense—Quetta Region*—The explanation was found to be satisfactory and the para was dropped.

28. Pages 151-52, item 8—*Store Accounts of the Buildings and Roads Department—Quetta Region*—The explanation was found to be satisfactory and the para was dropped.

29. Page 184, item No. 5—*Sale of Stores in contravention of Government Orders*—The explanation was found to be satisfactory and the para was dropped.

30. Page 19, para. 17 (a) 1—*Expenditure on the works in anticipation of technical sanction—Hyderabad Region*—The explanation was found to be satisfactory and the para was dropped.

31. Page 11, para. 17 (a) (2) (4)—*Excess payment of Rs. 1,291*—The explanation was found to be satisfactory and the para was dropped.

32. Page 12, para. 17 (a) (3) 1—*Shortage of Stores worth Rs. 31,507/75*—In this case there was a shortage of stores of the value of Rs. 31,507/75 to the extent of Rs. 13,526 in respect of cement and the balance in respect of steel of various dimensions. The acting Chief Engineer, Mr. Z. A. Wahidi, stated that an enquiry conducted by Mr. Taj Muhammad Sheikh, Superintending Engineer revealed that 4,387 bags of cement which was imported were lost in transit on account of the cement bags having got torn or the cement otherwise being spoiled. He was therefore of the view that the value of this cement should be written off. He further stated that the enquiry by the Superintending Engineer was still going on and the Superintending Engineer has been able to account for about 10 tons of steel, which was utilised and that it was an accounting mistake to have included this quantity in the shortage. This requires verification by the Audit.

The Committee decided that as the inquiry had not been completed, this matter should come up before it when the accounts for the year 1959-60 are considered.

33. Page 12, para. 17 (a) (3) 5—*Shortage of materials worth Rs. 70,258 7*—In this case there was a shortage of material of the value of Rs. 70,258/7 comprising cement, bricks, steel, etc. According to the Superintending Engineer, one Mr. P. A. Wadwani, Sub-Divisional Officer, who retired from service without giving charge of the stocks, was responsible for the shortage to the extent of Rs. 36,503. To enforce the payment of this amount by Mr. P. A. Wadwani, his pension had not been sanctioned in the hope that he will make payment. His General Provident Fund and gratuity had also been blocked. Regarding the balance of Rs 33,754/12, the responsibility was supposed to be of a Road Overseer, Mr. Iqbal Ahmed, and one Road Mistry, Abdul Karim, who have been given charge-sheets. Their replies had been received and the matter was under investigation.

In these circumstances the Committee decided that this matter should come up before it when it considers the accounts for the year 1959-60.

34. Page 12, para. 17 (a) (3) 6—*Shortage of Stores worth Rs. 63,507/14*—In this case there was a shortage of cement and other materials of the value of Rs. 63,507/87. As a result of the investigation conducted by the Superintending Engineer, M/s Zahir Hyder and S.M. Issa, Store keepers have found responsible for the shortage to the extent of Rs. 4,941-37 and Rs. 58,566-50 respectively. The case against Mr. Issa was reported to be with the Anti-Corruption Department, but that Department could not establish any case against him. Recovery is being made from Mr. Zahir Hyder at the rate of Rs. 46 per month.

The Committee was of the opinion that in this case an enquiry should be held to fix responsibility on the officers higher than the Store keepers. Secretary, Communications and Works Department was advised to pursue this matter further, fix responsibility and make every effort to recover the amount. The Committee decided that this matter should also come before it again when it considers the Appropriation Accounts for the year 1959-60.

35. Page 12, para 17 (a) (3) 10—*Shortage of cement worth Rs. 1,580*—The explanation was found to be satisfactory and the para was dropped.

36. Page 13, para 17 (a)(4) 1—*Undue financial aid to the Contractor*—The explanation was found to be satisfactory and the para was dropped.

37. Page 14, para 17 (a) (4) 5—*Undue financial aid to the Contractor*—The Acting Chief Engineer, Hyderabad Region, stated that the iron material of the value of Rs. 42,761 was consumed in the building and thus there was no shortage. Subject to verification by Audit the para was dropped.

38. Page 17, para. 17 (a) (7) 1—*Irregular payment of Rs. 1,510/3*—The explanation was found to be satisfactory and the para was dropped.

39. Page 18, para 17 (a) (8) 1—*Non-recovery of Rent of residential Buildings*—This item pertained to the recovery of rents for a large number of quarters which were occupied by the staff of the Agricultural College at Tando Jam and other employees of the Agriculture Department. The Principal makes allotments and also recovers the rents but as the buildings are controlled by the Public Works Department, they are technically supposed to be accountable for the recovery of these rents. The Principal, Agricultural College, Tando Jam has issued a certificate to the effect that all the rents have been realized and credited to the correct heads. This requires verification by the Audit.

Secretary, Communications and Works Department, drew attention of the Committee to the fact that this system of collection of the rents by the Principal of the Agricultural College, Tando Jam, who also allots the quarters to officers who are always coming and going, is not correct because the responsibility of accounting for the collection of rents falling upon the Public Works Department creates an anomalous situation and he suggested a change in this procedure. The Committee was of the view that there should not be any difficulty in evolving a procedure which can simplify this account keeping, checking and audit of these accounts if the Secretaries, Communications and Works, Agriculture and Finance Departments sit together and consider the issue. The Committee was in agreement with the suggestion of the Secretary, Communications and Works Department that since the Agriculture Department is using these buildings and is also on the spot making these collections and maintaining accounts, the Audit Department should get directly in touch with them so that they can audit the accounts and if any objection comes up it should come up along with other objections pertaining to the Agriculture Department. The Committee however decided that this was a matter for the three Secretaries and the Audit to settle among themselves.

Subject to these observations the para was dropped.

40. Page 18, para 17 (a) (9) 2—*Loss on account of setting of cement*—In this case a total quantity of 106,390 bags of cement was indented by one Mr. H. G. Daryani, Executive Engineer for the purpose of construction of cement roads in the district of Larkana. Out of this quantity about 85,000 bags were used and the remaining bags had been wasted either in transit or by being kept in faulty godowns and thereby they got set into stone. The cost of the loss is estimated at Rs. 1,88,181. There was a Board of Enquiry in this case presided over by Mr. Azmatullah, Superintending

Engineer, who has given a 3½ pages typewritten report. The cement could not be utilized in the construction of roads as the specification of roads was changed. It was quite reasonable to expect that after this quantity had become surplus. It could have been sold off or utilised for some other work. But Mr. Daryani migrated to India and every body forgot about the cement and it was allowed to remain in the godowns of the railway till it become completely useless. This is a scandal which had remained on the Audit record for a long time. Now it is time that it should be settled. The Committee was informed that the Department had already moved for writing off of this amount which the Committee considered to be the only proper course. The para was dropped.

41. *Page 232, Item No. 1 (i)—Loss due to the Breakage of Glass Panes in Transit Worth Rs. 6,753*—This is a case where a sum of Rs. 6,753 was to be recovered from the Insurance Company out of which a sum of Rs. 1,531/75 had been recovered. The Department is taking steps to realise the balance of the amount. The Committee decided that this matter should come up before it alongwith the accounts for the year 1959-60.

42. *Page 233, Item No. 3 (ii)—Shortage of Cement Worth Rs. 25,495*—This case relates to the shortage of cement which was damaged in the year 1955 by heavy rains. The Superintending Engineer, reported that nobody was responsible for this damage because this was due to a natural calamity which could not be helped. The Department has moved for writing off of this amount. The para was dropped.

43. *Page 233, Item No. 3 (iii)—Shortage of Cement Worth Rs. 1,540*—Same observations as against item No. 3 (ii) above.

44. *Page 233, Item No. 3 (iv)—Shortage of Store Worth Rs. 8,768*—The explanation was found to be satisfactory and the item was dropped.

45. *Page 233, Item No. 3 (v)—Shortage of Store Worth Rs. 12,987*—In this case a sum of Rs. 12,987 on account of the price of 14 tons 13 c. w.t., 1 Quarter and 26 lbs. of iron was found short. The Superintending Engineer, on conducting an enquiry found that Mr. G. Y. Sheikh left charge on promotion without accounting for the material and as such he was responsible for this shortage. Mr. G. Y. Sheikh has now retired as Chief Engineer. The Department has written a letter to Mr. G. Y. Sheikh to pay this amount failing which it will be recovered from him as arrears of land revenue. The Committee decided that this item should come up before it again when it considers the Accounts for the year 1959-60.

46. *Page 233, Item No. 5 (I)—Recovery of Rs. 7,336*—The explanation was found to be satisfactory and the item was dropped.

47. *Page 233, Item No. 5 (ii)—Excess payment to the Contractor*—The Audit was pointed out that 140 tons of steel was issued to the Contractor in excess of the quantity that he had actually used. Therefore its cost should be recovered from him. The Department maintained that this quantity also has been reduced, and they are prepared to have a joint investigation of the matter with the Audit. The Committee decided that the matter should be investigated further and brought before it again when it considers the Accounts for the year 1959-60.

48. *Page 234, Item No. 6—Excess payment of Rs. 9,355 to the Contractor*—In this case there was an excess payment in the form of material to the Contractor to the tune of Rs. 9,355 all of which has been realised. This, however, has not been verified by the Audit. Subject to verification the para was dropped.

49. *Page 234, Item No. 7—Excess Payment of Rs. 17,300 to the Contractor*—The explanation was found to be satisfactory and the item was dropped.

50. *Page 234, Item No. 8 (i)—Demurrage Charges*—The explanation was found to be satisfactory and the item was dropped.

51. *Page 234, Item No. 8 (ii)—Wharfage on Cement*—The Committee recommended that the amount involved should be written off. The para was dropped.

52. *Page 234, Item No. 9—Sale of Wood on Credit worth Rs. 2,472*—The explanation was found to be satisfactory and the item was dropped.

53. *Page 234, Item No. 10 (ii)—Railway Freight Amounting to Rs. 18,139 On Slack Coal paid on behalf of a Contractor*—In this case excess payment of Rs. 18,139 was made to a Contractor. The Department explained that the Contractor has a claim of Rs. 2,000 and that amount will be adjusted in the recovery, and for the remaining Rs. 16,139 the Department will vigorously pursue the matter and recover the money from the Contractor and other persons who were responsible for this over-payment. The Committee decided that this matter should come up before it when it takes up the Appropriation Accounts for the year 1959-60.

54. *Page 234, Item No. 10 (iii)—Cost of Coal Recoverable from a Company Rs. 16,180*—In this case a sum of Rs. 16,180 was to be recovered on account of excess payment of coal from a company. The amount has been recovered but the Audit has not yet verified it. Subject to verification by the Audit the para was dropped.

55. *Page 235, Item No. 10 (iv)—Recovery of Rs. 11,975—From a Contractor*—In this case Rs. 11,975 on account of cost of material was recoverable from a Contractor which has since been recovered but it has not yet been verified by the Audit. Subject to verification by the Audit the para was dropped.

56. *Page 235, Item No. 10 (v)—Cost of Material Recoverable from a Company Amounting to Rs. 23,000*—In this case an amount of Rs. 23,000 was recoverable from a Company which amount has been recovered. The para was dropped.

57. *Page 235, Item No. 10 (vi)—Advance payment of Rs. 1,51,751—To the Contractor*—The Deputy Chief Engineer, who represented the Department stated that he had no intimation of this item. The Committee decided that this matter should come up before it when it examines the Appropriation Accounts for the year 1959-60.

58. *Page 235, Item No. 10 (viii)—Advance payment Amounting to Rs. 33,041—To the Contractor*—This item related to the recovery of Rs. 33,041 on account of advance payment made to a contractor. The Department stated that the whole amount had been recovered. The Audit maintained that recovery to the extent of Rs. 1,828 had not yet been verified by them. Subject to verification by the Audit the para was dropped.

59. *Page 236, Item No. 12—Recovery of Rs. 4,223 From the Sub-Divisional Officer*—In this case a sum of Rs. 4,223 was said to be recoverable from an Sub-Divisional Officer. The Department's stand was that the amount had been charged to the work concerned on subsequent check up and, therefore, this amount was not to be realised from the Sub-Divisional Officer. The Committee decided that the Department and the Audit should settle up this matter amongst themselves and the para was dropped.

60. *Page 233, Item No. 4—Theft of Government Stores and Cash Rs. 15,000*—

The explanation was found to be satisfactory and the item was dropped.

61. *Page 235, Item No. 10 (vii)—Undue Financial Aid to Contractor of Rs. 15,280*—The explanation was found to be satisfactory and the item was dropped.

62. *Page 235, Item No. 11(i)—Un-Accounted for Stores worth Rs. 2,53,472*—The explanation was found to be satisfactory and the item was dropped.

63. *Page 235, Item No. 11 (ii)—Un-Accounted for Stores Worth Rs. 1,09,239*—The explanation was found to be satisfactory and the item was dropped.

64. *Page 235, Item No. 11 (iii)—Un-Accounted for Material Worth Rs. 1,01,951*—The explanation was found to be satisfactory and the item was dropped.

65. *Page 235, Item No. 11 (iv)—Un-Accounted for Material Worth Rs. 3,98,940*—The explanation was found to be satisfactory and the item was dropped.

66. *Page 236, Item No. 11(v)—Un-Accounted for Material Worth Rs. 2,23,777*—This item has been included in the Appropriation Accounts for the year 1959-60 and will be considered along with the Appropriation accounts for the year 1959-60.

67. *Page 236, Item No. 14—Mis-appropriation of Government Material*—As it has been included in the Appropriation Accounts for the year 1961-62, it will be considered alongwith the Accounts for that year.

68. *Page 236, Item No. 16—Fictitious Stock Adjustment*—In this case material worth Rs. 3,08,078 was issued to a work in June 1955 and was withdrawn during 1959-60 as the scheme was not approved by the Government. This was obviously a short circuit which the Committee have always disapproved. As disciplinary action has been taken against the officers and they have been warned, the para was dropped.

69. *Page 236, Item No. 18—Embezzlement of Government Material*—One Mr. Ehsan Ullah who was working as Assistant Sub-Divisional Clerk in the Gujrat Provincial Sub Division utilized a cheque book issued to one Mr. S. M. Akhtar, S.D.O. and by making forged entries took out a sum of Rs. 10,000. He was sent up for trial but was acquitted on some technical ground. He was re-instated and is working in the Department. In the meantime a charge-sheet has been issued to the S.D.O. as to why he put the cheque book in such a place that it was pilfered and cheque forged and thereby a sum of Rs. 10,000 was taken out of the Government Treasury.

No action has been taken by the Department against the Assistant Sub-Divisional Clerk by way of disciplinary action. Secretary, Communications and Works Department and the Chief Engineer, Lahore Region are of the view that disciplinary departmental action should be taken against Assistant Sub-Divisional Clerk. The Committee agreed with them and recommended severe disciplinary action.

The Committee was of the view that Mr. S. M. Akhtar, S. D. O. was only guilty of, if expression 'guilty' could be used in this case at all, allowing his Clerk access to his cheque book but as the Clerk was directly subordinate to the S.D.O. and he was handling all papers, the S. D. O. does not appear to be at fault. That, however, is a matter for the Department to decide.

The Committee decided that the progress of the disciplinary action should be reported to the Audit and efforts be made to realize the amount from the Assistant Sub-Divisional Clerk. The Audit might bring it up again in future if they considered it desirable. With these observations the para was dropped.

50. *Page 233, Item No. 2—Loss due to Excess Supply of Slack Coal*—In this case shortage of bricks, tiles, etc. in the Satellite Town, Rawalpindi, of the aggregate value of Rs. 14,70,724 was reported. The Department accepted the shortage for Rs. 8,37,948. After enquiry and necessary verification from the relevant records, the Accounts Officer found that the actual shortage was to the extent of Rs. 7,49,947/57. This last figure has not yet been verified by Audit and is under verification.

The Chief Engineer, Lahore Region, stated that disciplinary action had been initiated against five officers and eight non-Gazetted employees, namely:—

- (1) Mr. Muhammad Iqbal Mughal.
- (2) Mr. Aftab Ahmed, S. D. O.
- (3) Mr. Muhammad Ashraf Khan, Executive Engineer.
- (4) Mr. I. U. Khan Niazi, Executive Engineer.
- (5) Mr. Rafiq Ahmad, S. D. O.
- (6) Mr. Iftikhar Nabi, Overseer.
- (7) Mr. Muhammad Ramzan, Overseer.
- (8) Mr. Habib Ahmed, S. D. C.
- (9) Mr. Atta Muhammad Malik, S. D. C.
- (10) Kazi Sarfraz-ud Din Ahmed, Divisional Accountant.
- (11) Mr. Mahmud Ali, Divisional Accountant.
- (12) Mr. Fazalullah, Divisional Accountant.
- (13) Malik Muhammad Yaqub, Divisional Accountant.

Charge-sheets have been served on the officers mentioned at Serial No. 1, 2, and 3 above. No charge-sheets could be served upon the officers mentioned at Serial Nos. 4 and 5 as they had left service. The officers at serial Nos. 6 and 7 have also been served with charge-sheets and their replies have been received. As for the Divisional Accountant the Director of Audit and Accounts Works, had been moved to issue charge-sheets, but the Director of Audit and Accounts (Works) stated that he has not yet received the communication.

The Charge against Mr. Ata Muhammad Malik was that he did not recover a sum of Rs. 288-00 within time, and a warning has been issued to him.

Out of the amount involved, a sum of Rs. 4,67,866 is recoverable from the officers and officials on account of inferior bricks and tiles, and the amount of Rs. 1,13,302 is to be recovered from the Contractors on account of outstanding ledger balances against supply of material, and the aid of the West Pakistan Government Dues Recovery Ordinance has been invoked to effect recovery.

This item also includes a sum of Rs. 2,913 on account of sale of Government bricks on credit to Sheikh Muhammad Rashid, S.D. O. A sum of Rs. 4,700 is to be recovered from a firm, named M/s. S.A. Ali and Co., on account of excess payment, a sum of Rs. 79,477-00 is due from the prospective builders on account of material supplied and on account of less cost recovery; a sum of Rs. 11,220-00 is to be recovered from prospective builders on account of illegal refund of cost; a sum of Rs. 28,844 is to be recovered from the Contractors, being the difference of the contracted rate and the rate at which the material was received, and a sum of Rs. 46,622 is to be recovered on account of deterioration of slack coal.

The Committee desired that the Secretary, Communications and Works Department should get in touch with the Deputy Commissioner and expedite the recoveries from the Contractors under the Recoveries Ordinance. As far the officials, if the recoveries are to be made by deductions from their salaries it may take a whole eternity to realise the amount involved and in the meantime the officials concerned will have a guarantee of service of a nature which is not desirable. Secretary, Communications and Works Department suggested that in the case of officers also the advisability of recovering the amount under the Ordinance should be examined. The Committee agreed with him and desired this aspect of the matter to be examined and recommended that if the law can be applied it must be done to enforce the recoveries quickly and no pains should be spared in doing so.

The Committee decided that this matter should come up again before it along with Appropriation Accounts for the year 1959-60.

71. *Page 232, Item No. 1 (ii)—Loss of Government stores, cash and other Properties—Rs. 7,291—*In this case a sum of Rs. 7,291 which was to be recovered had been recovered and action taken against the defaulter. The para was dropped.

72. *Page 233, Item No. 5 (iii)—Overpayment of Rs. 8,000 To Contractor—*In this case the amount recoverable stood at Rs. 45,000 which according to the Chief Engineer has increased to Rs. 65,00,000. The Deputy Secretary, Communications and Works Department is conducting an enquiry into the matter jointly with the Deputy Director of Audit and Accounts. The Committee decided that this matter should come before it along with the Appropriation Accounts for the year 1959-60.

73. *Page 236, Item No. 13—Recovery of Rs. 1,15,124. From the Contractor—*In this case, a sum of Rs. 1,15,124 was to be realised out of which an amount of Rs. 54,961 has been recovered and efforts are continuing for the recovery of the remaining amount. The Committee decided that this matter should also come before it along with Appropriation Accounts for the year 1959-60.

74. *Page 236, Item No. 17—Loss of Rs. 9,308 to Government—*In this case property worth Rs. 9,308 was washed off during the floods at Mithankot crossing. The Committee was satisfied that this was a fit case for writing off. With these remarks the para, was dropped.

75. *Page 233, Item No. 3 (i)—Shortage of Stores worth Rs. 33,170—*In this case after checking and rechecking stocks worth Rs. 6,595-00 was actually found short.

The Chief Engineer, stated that action was taken against four officers who were awarded punishments which was considered quite sufficient. Although no recoveries were made it was stated that the cumulative effect of the punishments, some of which are by way of stopping of increments for one or two years, will ultimately tantamount to a bigger recovery than the amount involved. In the opinion of the Chief Engineer, it was not proper to effect these recoveries by deductions from the salaries of the officials, and the Committee agreed with him.

The reduction in the value of the stores from Rs. 33,170 to Rs. 6,595 has not yet been verified by the Audit although the Chief Engineer, claimed that he has sent the necessary papers to them for verification. Subject to verification by Audit the para. was dropped.

76. Page 234, Item No. 10, (i)—*Undue financial Aid to Contractor amounting to Rs. 1,76,490*—In this case a sum of Rs. 1,76,490-00 was claimed by Audit to have been given as undue financial aid to the contractor. The whole amount has now been realised. In the opinion of the Audit it became an undue aid because this amount, although originally advanced for a proper cause, was not realised within three months as it should have been under the Rules and, therefore, after the expiry of the period of three months, the non-realisation of this amount tantamounts to undue aid. As the amount has been realised the para was dropped.

77. Page 236, Annexure Item No 15—*Loss of Rs. 4,492*. The explanation was found to be satisfactory and the paragraph was dropped.

III. The Committee then considered the explanation of the Agricultural Development Corporation in respect of following item pertaining to Ghulam Muhammad Barrage in the Appropriation Accounts for the year 1957-58.

Page 14, para. 17 (a) (4) 3—*Undue financial Aid to the Contractor*—The explanation was found to be satisfactory and the para was dropped.

IV. The Committee then considered the explanation of the Agricultural Development Corporation in respect of the following items pertaining to the Ghulam Muhammad Barrage in the Appropriation Accounts for the year 1958-59 :—

1. Page 12, para 17 (a) (3) 7—*Shortage of Material*—The Deputy Chief Engineer, Agricultural Development Corporation explained that the sum of Rs. 12,005/4/6, which was to be recovered on account of shortage of materials, was subsequently reduced to Rs. 9,401. This has been verified by Audit. Out of this amount, Rs. 1,357-00 has been realized and the remaining amount is under realization and is expected to be realized in three-four years by making deductions from the salaries of the officers concerned. The Audit should be kept informed of the realization. The Committee decided that this matter should come up again before it when it considers the Appropriation Accounts for the year 1959-60.

2. Page 12, para 17 (a) (3) 8—*Shortage of Material*—In this case, after subsequent verification and check up by the Audit, the amount to be recovered was found to be Rs. 6,288 out of which a sum of Rs. 1,240-00 had been realized and the rest of is under realization. The Committee decided that this matter should also come before it again when it considers the Appropriation Accounts for the year 1959-60.

3. Page 12, para 17 (a) (3) 9—*Shortage of Material worth Rs. 2,922*—The amount to be recovered, in this case, was Rs. 2,922-00 out of which Rs. 500-00 had been realized and further recovery is being effected at the rate of Rs. 100-00 per month. The Committee decided that this matter should also come up again when the Committee considers the Appropriation Accounts for the year 1959-60.

4. Page 14, para 17 (a) (4) 4—*Undue Financial Aid to the Contractors*—In this case the papers are reported to be lying with the Anti-Corruption Department and therefore, no progress has been possible towards the settlement of this item. The Committee decided that this matter should also come before it when the Committee considers the Appropriation Accounts for the year 1959-60.

5. The Committee decided that audit objections and irregularities in respect of works now being executed and maintained by the Agricultural Development Corporation in the Ghulam Muhammad Barrage, should be referred direct to the

Agricultural Development Corporation through the Agriculture Department and not to the Communications and Works Department. The Agricultural Development Corporation should prepare working papers in respect of such items for the consideration of the Committee and forward the same to the Secretariat of the Committee through the Agriculture Department.

V. The Committee then adjourned to meet again on 18th February, 1965 at 9-00 A.M.

LAHORE:
The 17th February 1965. }

S. M. SOHAIL
CHAIRMAN
Standing Committee on Public Account

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS, HELD ON 18TH FEBRUARY 1965, AT 9.00 A. M.
IN THE COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING,
LAHORE.

I. The following were present :—

- | | | |
|---|----|----------------------|
| (1) Mr. S. M. Sohail, M.P.A. | .. | Chairman |
| (2) Khan Ata Hussain Khan, M.P.A. | .. | Member |
| (3) Mr. Muhammad Akbar Khan, M.P.A. | .. | Do. |
| (4) Sardar Ahmed Ali, M.P.A. | .. | Do. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial
Assembly of West Pakistan | .. | Ex-officio Secretary |
| (6) Mr. Nazir Ahmed Chaudhry, P.A. & A.S., Director,
Audit and Accounts (Works), West Pakistan | .. | By invitation. |
| (7) Mr. A. R. Kazi, Secretary to Government of West
Pakistan, Irrigation and Power Department
along with Regional Heads of Department | .. | Ditto |
| (8) Mr. N. H. Jaffary, Member, Finance WAPDA along
with Operation Manager (Electricity) WAPDA | .. | Ditto |

II. The Committee in the first instance considered the explanation of the Irrigation and Power Department in respect of following audit objections and irregularities pointed out in the Appropriation Accounts for 1957-58, which were partly considered by the Committee at its previous meetings but further details were asked for from the Department.

1. Page 12, para. 17 (a) (i)—

Expenditure on works in anticipation of technical sanction to estimates—

This item relates to regularisation of expenditure incurred on works in anticipation of technical sanction. There were 2,365 such cases at the time the Committee first looked into this matter. On the direction of the Committee efforts were made by the Department to regularise these cases and the figure has now been reduced to 500 cases only. The Committee desired that efforts should be continued to reduce the figure to nil.

As for the disciplinary action against the defaulting officers the position was reported to be as follows —

- (i) The Chief Engineer, Peshawar, has asked for explanations from two officers, namely Mr. Muhammad Aslam, at present Deputy Chief Engineer, A. D.C. and Mr. Abdur Raof Khan, Executive Engineer, who is at present Section Officer in the Irrigation and Power Department. They have asked for more time to submit their replies.
- (ii) The Chief Engineer, Sargodha, called for explanations from five officials but none of them has yet sent his explanation. The Chief Engineer stated that if their explanations are not received within a reasonable time they will be charge-sheeted without further reminders.
- (iii) The Chief Engineer, Quetta called for the explanations of five officials but their replies are still awaited. These explanations were called for 2 months back. He stated that he will wait for another fortnight but if their replies are not received he will charge-sheet them.
- (iv) The Chief Engineer, Remodelling, called for explanations of 2 officers namely, Mr. Majibullah, Executive Engineer and Chaudhri Noor Muhammad, who has since retired as Executive Engineer. These explanations were called for 2 or 3 months ago but their replies have not yet been received. He proposes to issue reminders giving another one month's time and if they do not send their replies by that time he will proceed to charge-sheet them.

(v) Mr. Rashid, Superintending Engineer, Headquarter Division, representing his Chief Engineer, who has met with some accident, stated that in his Region explanations have been called for from 2 Executive Engineers namely, Mr. Hamidud Din and Rana Khurshid Ahmed, but he was unable to state whether their replies have been received. He was also equally unable to state what action the Chief Engineer proposed to take.

(vi) Mr. Dahar, appearing for the Chief Engineer, Sukkur, who has gone back to Sukkur on account of the Presidential visit to that area, stated that in his Region action has been taken against Mr. Barakzai and Mr. Shah Nawaz, Superintending Engineers. They have given their replies. As far as the Secretary, Irrigation and Power Department recollects, warning has been administered to these two officers.

The Committee looked with very extreme disfavour the attitude of Chief Engineers in calling for explanations and then waiting indefinitely for replies. Once an explanation has been called for, the reply should come within reasonable time and if it does not come within a reasonable time, the proper thing is to proceed against the delinquents by charge-sheeting them.

The Committee felt that the Chief Engineers were trying to shield the offenders and it was on account of this that they were not trying to take proper and strict action against them. The Committee, therefore, desired that Government should take action against the Chief Engineers concerned for their conduct in this matter. The Committee decided that this matter should come before it again at the next meeting to be held in March, 1965, when the Irrigation and Power Department should report to the Committee the action taken.

2. Page 28, para. 17 (a) (22) (2)—

Embezzlement of stores and fraudulent payments—

This para. was considered by the Committee at its meetings held on 20th July, 1964 and 28th September, 1964, when the relevant facts were recorded.

Secretary, Irrigation and Power Department informed the Committee that as a result of the inquiries instituted, the following five officers were *prima facie* held responsible for the incorrect refunding of Rs. 59,611-00 to the contractor —

- (1) Malik Najib Ullah, then Sub-Divisional Officer now Executive Engineer.
- (2) Mr. Khalid, then Sub-Divisional Officer, now Executive Engineer.
- (3) Mr. Khilji, then Sub-Divisional Officer, now Executive Engineer.
- (4) Mr. Bajwa, the Executive Engineer, retired.
- (5) Mr. Iftikhar Elahi, then Accountant now Head Clerk in the Department.

Charge-sheets were served on all the five officials. Three of them have submitted their explanations. One officer who was then an Executive Engineer and was supposed to be the main culprit and who has since retired has not yet sent any reply.

As far the contractors, efforts were made to realise the money from them by taking recourse to the West Pakistan Government Dues Recovery Ordinance but two of the Contractors are said to have obtained stay orders from the court. Therefore, the matter stands at that.

The Committee decided to consider this matter again at its next meetings to be held in March, 1965.

3. Page 29, para. 17(a) (26) (1)—

Non-recovery of Government dues—

This para. was considered by the Committee at its meetings, held on 20th July, 1964 and 28th September, 1964. At the meeting, held on 28th September, 1964, the Committee had examined Mr. Ahmad Hussain, the then Deputy Chief Engineer, in

detail and had also gone through all the relevant record in this matter. It then appeared that interference in this case had been made at the highest level, namely, at the level of the Minister. The Chief Engineer, and down to the whole line the entire administration had been almost paralysed and vied with others to give to the lessee as much facility as possible. This is reminiscent of the rot that had set in the pre-Martial Law days. Two sureties who were to guarantee the payment of the leased money had executed their bonds on non-judicial stamps and these documents were not got registered. The Committee was advised that in these circumstances any effort to realise the money from the sureties would be abortive. The Department is now taking recourse to the West Pakistan Government Dues Recovery Ordinance for the realization of Rs. 1,87,658-00 which is still due from the lessee. The lessee on his part has again approached the administration for reconsideration of his case for remission.

The Committee had a strong feeling that the officers of the Department could have done better if they would have completed all the documents in a proper manner and affected the recovery in due and proper time. It is, however, difficult to lose sight of the fact that the officers who worked under the administration of Minister could so much ignore the Ministers as to take an independent line considering the requirements of the case. It is difficult for the Committee in these circumstances to ask for action against the officers. The matter should be pursued and efforts made to make the recoveries from the lessee. The Audit should be kept informed about the recoveries and if ultimately the amount cannot be realised, the Department will have to take steps to have it written off. With these observations the para. was dropped.

III. The Committee then considered the explanation of the Department in respect of Audit objection and irregularities pointed out in the Appropriation Accounts for the year 1953-59 :—

1. Page 9, para. 17 (a) (1)—

Expenditure on works in anticipation of technical sanction to estimates—

This item relates to 3,965 cases in which the expenditure was incurred on works in anticipation of technical sanction. It is very gratifying to note that since the Committee took up this matter, the Department has diligently pursued the regularisation and they have brought down the figure of 3,965 to only 500 cases, which the Committee hoped will be further reduced in due course. The para. was dropped,

2. Pages 20—23, para. 17 (a) (17)—

Excess payment—

(i) Serial No. 1—

The explanation was found to be satisfactory and the item was dropped.

(ii) Serial No. 2—

The explanation was found to be satisfactory and the item was dropped.

(iii) Serial No. 3—

The explanation was found to be satisfactory and the item was dropped.

(iv) Serial No. 4—

The explanation was found to be satisfactory and the item was dropped.

(v) Serial No. 5—

In this case a sum of Rs. 1,611-00 was to be recovered on account of excess payment made to one contractor, and the amount has since been recovered. Action against the Divisional Accountant is in progress which should be pursued by the Director of Audit and Accounts (Works).

With these remarks the item was dropped.

(vi) Serial No. 6—

The explanation was found to be satisfactory and the item was dropped.

(vii) Serial No. 7—

In this case the recovery of Rs. 632 has been effected and verified by the Audit. The item was dropped.

(viii) Serial No. 8—

In this case also the recovery of Rs. 1,315 has been effected and verified by the Audit. The item was dropped.

(ix) Serial No. 9—

This item relates to the overpayment of Rs. 4,214 on the basis of the Measurement Book in which it was recorded that the work was Kassi work. The Department, however, explained that in the Measurement Book also, while the work has been classified as Kassi work, it has been mentioned that the work has been done on basket work rate. Further, the Chief Engineer of the Region himself visited the site and found by inspection that the work for which payment was made on basket work rate was actually basket work.

This being so, the item was dropped.

(x) Serial No. 10—

Same remarks as in the case of serial No. 9 above.

(xi) Serial No. 11—

In this case canal in Mirpur Khas was closed for two days, namely, the 24th and 25th January for the purpose of silt clearance. The records show that on the 26th January the canal had full guage. The Sub-Divisional Officer had recorded the measurement of the work on the 26th. The objection of the Audit was that when the canal was in full guage on the 26th how could the Sub-Divisional Officer possibly measure the work done, if any, on the 24th and 25th.

The Committee observed that there was a considerable force in the objection taken by the Audit and the credit was due to the officer who was intelligent enough to have checked the Canal Guage Register to find out the correct position.

The Department charge-sheeted the Sub-Divisional Officer on this account. In his reply the Sub-Divisional Officer stated that in the morning on the 26th he carried out the measurement and the canal valve was opened at about twelve O'clock in the day. In this way he reconciled the discrepancy. As the canal flow was regulated by the Sub-Divisional Officer who had carried out this measurement, the Chief Engineer recommended for exonerating him.

In the opinion of the Committee it was a case where much can be said on both sides. Giving the benefit of doubt to the officer who has been accused of the delinquency, the item was dropped.

(xii) Serial No. 12—

The explanation was found to be satisfactory and the item was dropped.

(xiii) Serial No. 13—

The explanation was found to be satisfactory and the item was dropped.

(xiv) Serial No. 14—

In this case Rs. 822 and Rs. 893 on account of overpayment made due to wrong calculation of the maundage of wood have been recovered.

The question, which was raised by the Audit was whether action should be taken against the Overseer and the Sub-Divisional Officer who were responsible for the overpayment. The Sub-Divisional Officer's Clerk has been warned in this case and the Department was of the view that no action was necessary against the Overseer and the Sub-Divisional Officer. The item was dropped.

(xv) Serial No. 15—

In this case there was the question of recovery of Rs. 1,200 which was not deducted from the running bill of the contractor. It has since been recovered and verified by the Audit. The item was dropped.

3. Pages 23-24, para. 17 (a) (18)—

*Shortage of stores—**(i) Serial No. 1—*

There was a shortage of stores worth Rs. 1,14,873 and a surplus of stores worth Rs. 1,99,773 in Lahore Region. The Audit pointed out that after verification by the Department itself, the value of surplus stores had increased to Rs. 2,71,441 and the value of stores found short had increased to Rs. 2,61,040. The Committee decided that the Department should check up this item and get it verified by Audit. The Committee further decided that this item should come up before it when the Committee considers the Appropriation Accounts for the year 1959-60.

(ii) Serial No. 2—

In this case there was a shortage of stores worth Rs. 22,662 in the re-modelling organisation. The Committee decided that this matter should be finalized and brought before it again when the Committee considers the Appropriation Accounts for the year 1959-60.

(iii) Serial No. 3—

In this case there was a shortage of 240 bags of cement which is stated by the Department to have been removed by Buildings and Roads Department as the stocks of Buildings and Roads Department and this Department was stored in the same place. These bags were subsequently received back. The item was dropped subject to verification by the Audit.

(iv) Serial No. 4—

In this case there was a shortage of spare parts of motor vehicles and tractors worth Rs. 31,253. The Assistant Engineer-in-Charge prosecuted the Foreman, who according to the Department was responsible for the shortage. The Foreman was, however, acquitted by the Court. He is reported to be dead. This amount has been written off. The item was dropped.

(v) Serial No. 5—

The Committee decided to examine this matter at its next meeting to be held in March, 1965.

(vi) Serial No. 6—

In this case there was a shortage of stock material worth Rs. 8,745. As the Overseer, who was responsible for this, has been convicted and punished in another case, no action was taken in this case. The para was dropped, subject to verification by the Audit, of the sanction to write off the amount.

(vii) Serial No. 7—

In this case, out of a total alleged shortage of Rs. 1,045 a sum of Rs. 192 has been recovered. The remaining amount has not yet been recovered. The stand taken by the Overseer in his defence was that the remaining stores were issued by him again and utilised on the work. The Committee decided that this should be verified by the Audit and the item should come up before the Committee at the next meeting in March, 1965.

(viii) Serial No. 8—

In this case there was a shortage of stores to the tune of Rs. 22,715. One Fazal Hussain, Storekeeper, was held responsible for the shortage of stores worth Rs. 20,525-63. He was prosecuted and convicted by the lower court but acquitted by the High Court. He has been dismissed from service. A sum of Rs. 550 has already been recovered. Proceedings are under way for the recovery of the balance of the amount. The recoveries when effected should be notified to the Audit and got verified by them. Subject to these observations the item was dropped.

(ix) Serial No. 9—

In this case there was shortage of stores worth Rs. 3,834. An Overseer was held responsible for it and recovery is being made from him at the rate of Rs. 50 per month. The Committee observed that the recovery should be watched by the Audit. Subject to this, the item was dropped.

(x) *Serial No. 10—*

In this case there was a shortage of stores worth Rs. 1,350. According to the Department the whole amount has been recovered but the recovery has not yet been verified by the Audit. Subject to verification by the Audit the para was dropped.

Director of Audit and Accounts (Works) drew the attention of the Committee to the fact that the rules required that shortage and losses should be reported to the Audit immediately so that they may step in to check up and expedite recovery. Secretary, Irrigation and Power Department assured to issue a circular to this effect.

4. *Pages 25-26, paragraph 17(a) (19)—**Misappropriation of stores—*(i) *Serial No. 1—*

The explanation was found to be satisfactory and the item was dropped.

(ii) *Serial No. 2—*

In this case there was a reported loss of Rs. 38,882 on account of misappropriation of stores. On a check up, the Sub-Divisional Officer was able to show that stores worth Rs. 36,315 were actually utilised and that only stores worth Rs. 2,267 remained to be accounted for. The quantity of stores actually utilised has not yet been verified by Audit and they will do so now. As for the remaining stores, WAPDA has asked the Irrigation Department to hold an enquiry to fix responsibility. Secretary, Irrigation and Power Department informed the Committee that he is going to do that. Subject to this the item was dropped.

(iii) *Serial No. 3—*

The explanation was found to be satisfactory and the item was dropped.

(iv) *Serial No. 4—*

In this case there was misappropriation of stores worth Rs. 7,539 by one Mr. Muhammad Shaikh, Road Mistri. He has been convicted. The amount in question is being written off subject to verification by the Audit regarding this sanction, the item was dropped.

(v) *Serial No. 5—*

The explanation was found to be satisfactory and the item was dropped.

(vi) *Serial No. 6—*

In this case an inquiry is reported to be going on. The item should come up before the Committee again when the Committee considers the Appropriation Accounts for the year 1959-60.

(vii) *Serial No. 7—*

In this case the record is stated to be lying with the Anti-Corruption Department. This item should come up before the Committee when the Committee considers the Appropriation Accounts for the year 1959-60.

(viii) *Serial No. 8—*

The explanation was found to be satisfactory and the item was dropped.

5. *Pages 26-27, paragraph 17(a)(20)—Undue financial aid to contractors—*(i) *Serial No. 1—*

In this case a sum of Rs. 15,245 out of a total of Rs. 18,282 was recovered by the Department but this recovery has not been verified by the Audit. A sum of Rs. 1,868 has been written off as being due from a Hindu who has migrated to India. A sum of Rs. 1,695 is due from the Sub-Divisional Officer who has been charge-sheeted. The remaining amount is only Rs. 600. The paragraph was dropped subject to verification by the Audit.

(ii) *Serial No. 2—*

The Committee decided to consider this item at its meeting to be held in March, 1965.

(iii) Serial No. 3—

This item was stated to have been settled between the Audit, the Irrigation and Power Department and the Finance Department. Full facts of this case were not placed before the Committee because the Irrigation and Power Department thought that since the para. had been settled amongst themselves full facts need not be submitted to the Committee. The Committee decided that in future even in those cases where there was a settlement between the Departments and the Audit full facts should be brought before the Committee as to have an idea how the decisions were made.

In the present case, the question of realisation involved was of Rs. 1,543 and this was on account of the difference between the market rate of cement and the rate at which the cement was supplied to the contractor. The market rate being lower, the contractor had asked for refund which was allowed by the Government. The item was dropped.

(iv) Serial No. 4—

In this case also facts of the case were not brought before the Committee. The item was, however, dropped.

(v) Serial No. 5—

In this case also full facts of the case were not placed before the Committee. The Committee decided to consider the item at its next meeting in March, 1965, when the full facts should be placed before it.

6. Page 28, paragraph 17(a)(21)—

Wasteful expenditure—

(i) Serial No. 1—

This is a case where a sum of Rs. 74,582 was spent on the conversion of a bridge into a fall and diversification of a branch canal into a line canal. When the canal was first opened it could not stand the discharge and collapsed within no time. The result of the enquiry conducted by the Department revealed that the design was faulty. According to Irrigation and Power Department a lot of incentive and enterprise is necessary in an Engineering Department and even the experimentations are necessary for the purpose of undertaking new types of works. For this reason, the Department maintained that this expenditure, though it proved to be wasteful, was not a *mala fide* expenditure or an expenditure of the type on which explanation be demanded on account of the works not properly executed or planned on account of misdemeanour on the part of any officer. The Committee agreed with this view and observed that there may be occasional cases where experiments may not succeed and if for that any officer is penalised that incentive is not only stifled but killed. The item was, therefore, dropped.

(ii) Serial No. 2, 3 and 4—

Explanations of the Department were found to be satisfactory and the item was dropped.

(iii) Serial No. 5—

The Committee decided that this item should come up before it at its next meeting to be held in March, 1965.

7. Page 29, paragraph 17(a)(22)—

Nonrecovery of demurrage charges—

(i) Serial No. 1—The Committee decided that this matter should come up before it when the Committee considers the Appropriation Accounts for the year 1959-60.

(ii) Serial No. 2—

The explanation was found to be satisfactory and the item was dropped.

8. Page 29, paragraph 17(a)(23)—

Short recovery from a private person—

It was stated on behalf of the Department that recovery proceedings and disciplinary proceedings are going on in this matter. The Committee decided that this matter should come up before the Committee when the Appropriation Accounts of 1959-60 are considered by it.

9. Page 29, paragraph 17(a)(24)—

Unauthorised facilities to officers—

The Committee decided to consider this matter at its meeting to be held in March, 1965.

10. *Page 30, Para 17(a)(25)—Loss of revenue—*

The explanation was found to be satisfactory and the paragraph was dropped.

11. *Page 30, Para 17(a)(26)—Delay in the recovery of rents of residential buildings—*

In this case an amount of Rs. 9,442 was to be recovered from various Officers, a part of which has been recovered and a part is still to be realised. The Committee decided that the remaining recovery should be watched by the Audit and if they considered it necessary the matter might come up again before the Committee. Subject to this the paragraph was dropped.

12. *Page 30, Para 17(a)(27)—Loss of foreign exchange—*

In this case spare parts of tractors and other machines were requisitioned by various Departments. An order was placed through the D. G. S. & D. for the supply. When the consignments arrived and were opened they contained junk. The value of the consignments was Rs. 20 lakhs in foreign exchange. It was pointed out to the Committee that the inspection clause had not been put in the Letter of Credit as a result of which all this junk had been shipped. The Committee considered this matter to be a serious one. It was obvious that a huge fraud had been committed in which some officers of the D. G. S. & D. and Embassy in Washington on the one side and American swindlers on the other were involved. The Committee could not had all the facts of the case from the representatives of the Irrigation and Power Department. The Committee desired that the Irrigation and Power Department and Audit should collect full facts and place them before the Committee at its next meeting to be held in March, 1965, for further consideration.

IV. The Committee deferred consideration of further items pertaining to Irrigation and Power Department to 19th February, 1965.

V. The Committee then considered the explanation of the Electricity Department WAPDA in respect of the following Audit objection and irregularities appearing in the Appropriation Accounts for the year 1958-59:—

(1) *Page 3, Para 5, Serial No. 17—Grant No. 33—Charge on Electricity Establishment and Miscellaneous Expenditure—Saving Rs. 22,87,386.* The explanation was found satisfactory and the paragraph was dropped.

(2) *Pages 4-5, Para 8, Serial No. 11—Grants Nos. 11-35—Electricity Schemes—Capital Expenditure—Excess Rs. 9,37,52,437—*The excess is due to the fact that excessive adjustments were made in respect of debits received from the D. G. S. & D. In fact a Clearance Committee had been appointed by the Government for the clearance of suspense as a result of which these unexpected debits were received and adjusted. The Committee recommended that necessary grant to regularise the excess in the voted grant may be made by the Governor under Article 235 of the Constitution.

(3) *Page 7, Para 12(i)—Grant No. 32—Electricity Scheme—Working Expenses Major Head “52—Supplementary Grant” proving unnecessary—*In this case a supplementary grant of Rs. 70,58,500 and not Rs. 70,98,500 as stated in the Appropriation Accounts was obtained from Government for the payment of interest. Out of this amount a sum of Rs. 50,16,282 was surrendered as the interest calculated by the Finance Department did not come up to the amount which had been obtained by the supplementary grant. The para was dropped.

(4) *Pages 6-7, Para 12(iii)—Grant No. 35—Electricity Scheme, surrender in the absence of saving—*As the amount has been adjusted the para was dropped.

(5) *Pages 9-10, Para 17(a)(1)—Expenditure on works in anticipation of the Technical Sanction to estimates—*This is a case where 688 works involving an expenditure of Rs. 4,42,05,541 were undertaken without technical sanction. The present position is that all these works have been completed and technical sanction have also been obtained. The Officer concerned has since retired.

The Committee pointed out to the Department that it looked with disfavour the works being undertaken without technical sanction having been obtained. The Committee has recorded reasons for this view at length in the previous proceedings of the Committee.

On the merits of this case, the Committee did not consider any action necessary against the officer concerned. The para was dropped.

(6) *Page 46, Para 18 (iv)(ii)—Delay in disposal of Inspection Reports and Audit Notes*—The No. of cases outstanding against the Department was 952. This number has now been reduced to 113 which testified that the Department has been at pains to clear up the arrear reports.

The WAPDA has created a cell for the clearance of these reports and all diligence is being exercised. The Member (Finance) WAPDA stated that it might be very difficult to clear the remaining 113 or quite a good chunk of it and in that case the WAPDA will have to ask for a waiver. The Committee desired that efforts to clear the remaining cases be continued and when no further progress is possible the matter may be brought before the Committee.

(7) *Pages 46—48, Para 18(v)—Arrears in Accounts, Documents and Returns*—Same observations as in respect of para 18(iv)(ii) at item No. 6 above.

VI. The Committee then adjourned to meet again on 19th February 1965 at 9-00 a.m.

LAHORE
The 18th February, 1965.

S. M. SOHAIL
CHAIRMAN
Standing Committee on Public Accounts

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 19TH FEBRUARY, 1965 AT 9-00 A. M. IN
THE COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING,
LAHORE.**

I. The following were present:—

(1) Mr. S. M. Sohail, M.P.A.	.. Chairman.
(2) Khan Ata Hussain Khan, M.P.A.	.. Member.
(3) Mr. Muhammad Akbar Khan, M.P.A.	.. Do.
(4) Sardar Ahmed Ali, M.P.A.	.. Do.
(5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan.	<i>Ex-officio</i> .. Secretary.
(6) Mr. Nazir Ahmed Chaudhri, P.A. & A.S. Director, Audit and Accounts (Works), West Pakistan.	By Invitation.
(7) Mr. A. R. Kazi, Secretary, Irrigation and Power De- partment along with Regional Heads.	Ditto.
(8) Mr. Said K. Hak, Secretary (Land Utilization), Board of Revenue, West Pakistan.	Ditto.
(9) Mr. M. U. Arain, Deputy Chief Engineer, Agricultural Development Corporation.	Ditto.

II. The Committee resumed consideration of the explanations of the Irrigation and Power Department in respect of the Audit Objections and irregularities pointed out in the Appropriation Accounts for 1958-59.

1. *Page 30, Para. 17(a) (28)—Irregular Expenditure*—In this case an amount of Rs. 2,429/1 was pointed out by the Audit as being recoverable from the contractor on account of excess payment. The Department on checking found that the actual amount should be Rs. 2,141/13 and they have recovered that amount from the contractor. The Audit found on a further check that the amount to be recovered should have been Rs. 2,962 and they have intimated the Department about the same under their letter dated 7th January, 1965. The Chief Engineer stated that he had called upon the Sub-Divisional Officer to explain this latches on his part in making excess payment, but the Sub-Divisional Officer has not submitted any explanation and he is now proceeding to charge-sheet the Sub-Divisional Officer. The Chief Engineer promised to look into the increased amount as pointed out by the Audit which was to be recovered. The Committee observed that Department should proceed to recover this amount if it is recoverable and desired that the Audit should keep a watch over it.

With these observations, the para was dropped.

2. *Page 30, Para 17(a)(29)—Infructuous Expenditure*—In this case a sum of Rs. 63,30,533 was spent on the purchase of Vicker Tractors and a sum of Rs. 66,882 was spent on spares for these tractors *plus* other amounts which were spent on the repairs of these tractors. These tractors were required to complete the guaranteed 1000 hour operation but they started tripping off one by one and were lined up for major repairs due to inherent defects. The Department explained that a Committee was appointed by the Chief Engineer to investigate into the causes of failure of these Vicker Tractors and on its report the suppliers agreed to under take the repairs of these tractors. The Inquiry Committee had found that the causes of failure of these Vicker Tractors were attributable to their inherent manufacturing defects and their having been designed only for cold countries having very little dust problems as compared to Pakistan. The report of the Chief Engineer or of the Committee appointed by the Chief Engineer was not placed before the Committee.

The Committee observed that *prima facie* these tractors did not give even half that performance which they should have given. These were new tractors manufactured in England and had not been tried anywhere much less in Pakistan. Those who were in charge of taking a decision for placing this order were, therefore, certainly taking a risk in ordering for a machine, for such a huge amount, which had not been tried before. It could be quite understandable if a few machines had been ordered first and tried in this country and if they had proved successful then a bigger order could have been placed. This, however, was not done and a huge order to the tune of Rs. 63,30,533 for 40 Vicker Tractors was placed all at once and the disaster that followed scandalized the decision taken. The Committee considered it necessary to examine as to what was the firm on which this order was placed and what were the relations between the firm and officers and as to how this order was placed. For this purpose the Committee desired to examine the files and records of this case. Secretary, Irrigation and Power Department was asked to produce all the necessary documents including indent, noting files and all other relevant records in connection with this case before the Committee at its next meetings to be held in March, 1965.

3. Page 30, Para. 17(a)(30)—*Fictitious Stock Adjustments*—The explanation was found satisfactory and the para was dropped.

4. Page 31, Para. 17(a)(31)—*Loss of Government Property*—The explanation was found satisfactory and the para was dropped.

5. Page 31, Para. 17(a)(32)—*Acquisition of Stores in excess of requirements*—The explanation was found satisfactory and the para was dropped.

6. Page 31, Para. 17(a)(33)—*Un-accounted for Stores*—The Department's stand was that the stores articles were correctly taken of stock during March, 1953 in the stock of Ahmadpur Sub-Division and the Audit representative had verified it. Subject to verification by the Audit, the para was dropped.

7. Page 31, Para. 17(a)(34)—*Discrepancies in Stores Accounts*—The Committee decided that this para should come up before the Committee at its next meeting to be held in March, 1965.

8. Page 31, Para. 17(a)(35)—*Unauthorised Expenditure*—In this case a sum of Rs. 3,904 was spent on transport and residential charges of the technicians who came to set up and assemble two drag-line machines which had been imported, and they were called upon to do it near the river edge of Guddu Barrage.

The terms of the contract provided that the suppliers had to assemble this plant at site at their own cost. This being so, technically the Audit had rightly taken an objection that this expenditure was avoidable. The Department, however, explained that if the technicians would have been left to do it at their own cost without being provided transport and living space at site, the setting up of these machines would have taken much longer time as those technicians would be living at a long way off from the site and would have possibly spent a few hours a day in coming to the site thereby prolonging the work of setting up those machines. The Committee has no doubt that the correct procedure would have been for the Department to have this work done by the technicians at their own cost but the Committee felt absolutely sure that there has been no misfeasance on the part of the officers of the Department in dealing with this matter. Therefore, the Committee did not consider it necessary to ask for any disciplinary action against them.

The Audit further pointed out that in the purchase of these machines there was a provision that the suppliers of the machines would train one Pakistani Engineer at Company's work at U.S.A., free of cost. According to the cost worked out by the Audit Department this would have cost the suppliers a sum of Rs. 11,783 and therefore, the Audit maintained that since the Government did not offer any person to be trained, this amount should have been deducted from the price of the machines. The Department explained that they trained their Mechanical Engineers at site with the assistance of the Technicians who had come from America and they did

not have anybody worth the name to be sent to America for this particular type of training. The Committee was satisfied with this explanation and the para was dropped.

9. *Page 32, Para 17(a)(36)—Less recovery from a contractor.*—In this case the recovery of Rs. 4,865 was due from the contractor on account of material supplied, which according to the Chief Engineer, Remodelling has since been recovered. Subject to verification by the Audit, the para was dropped.

10. *Page 32, Para 17(a)(37)—Non-return of empty bags*—In this case a sum of Rs. 3,688 was to be recovered on account of empty cement bags from a contractor. It was stated on behalf of the Department that a sum of Rs. 500 in cash and the balance of empty cement bags have been realised and received, respectively. Subject to verification by the Audit, the para was dropped.

11. *Pages 38—40, Item No. IV, Financial Review of the Lower Sind Barrage*—This item relates to the Ghulam Muhammad Barrage. The Committee had examined this question at great length at its previous meetings and had also held meetings at Jamshoro for that purpose. The Committee then directed that the Board of Revenue should depute for oral examination by the Committee such officer or officers of the Revenue Department as were competent to give the details and necessary information required to meet the Audit objection. The Committee had further directed that the Board of Revenue should have the information compiled and sent to the Director, Audit and Accounts (Works) well in time before the next meeting so that the Director of Audit and Accounts (Works) might be in a position to scrutinise the same and place his comments before the Committee.

The Committee desired to proceed with this item but in the absence of the above information and the repeated absence of the Member, Board of Revenue, the Committee could not proceed further. The necessary information which was to be sent pertained to facts and figures and revenue receipts due to Irrigation Works in the year 1956 and onwards which had not been sent by the Board of Revenue to the Comptroller, Southern Area. The Committee directed that the Board of Revenue should supply correct figures to the Comptroller, Southern Area, immediately and the Member, Board of Revenue in charge of this work should attend the next meeting of the Committee to be held in March, 1965 when this item will be considered.

The Committee further directed that the Comptroller, Southern Area, and the Secretary, Agriculture Department along with Member (Finance), Agricultural Development Corporation, Chief Engineer, Agricultural Development Corporation and the Deputy Chief Engineer, Agricultural Development Corporation should also attend the said meeting with the necessary documents.

12. *Page 46, Para 18 (iv) (ii)—Delay in the disposal of Inspection Reports and Audit Notes*—This item relates to pending Inspection Reports, Audit Notes, Test Audit Notes, Stock Returns, Form 46, Capital and Revenue Account, Schedule of Rent, etc., totalling 860. The Committee observed that since the last meeting of the Committee, the Department had pursued the matter very diligently with the result that the figure came down to 158 which was considered quite commendable. The Committee hoped that the Department would continue its efforts to have the figure cleared off completely so that this item might be wiped off.

13. *Page 74, item No. 6,—Excess payment to a Contractor*—A sum of Rs. 7,500 was to be realised from a contractor on account of excess payment. The Department has realised the money in full and has also taken disciplinary action by issuing a warning to the Sub-Divisional Officer concerned. The recovery has been verified. The para was dropped.

14. *Page 88, item No. 5—Store Accounts of the Irrigation Department for the year, 1958-59*—This item was dropped subject to verification by Audit of the sanction to the Reserve Limits of Stocks having been accorded by the respective Chief Engineers.

15. *Page 89, item 6—Misappropriation of Cash from Main Chest of a Division*—In this case there was a question of an irregularity by the Deputy Chief Engineer of having drawn a sum of Rs. 3,500 from the Divisional chest. This withdrawal of the amount was unauthorized. It has since been reimbursed. The matter was taken up between the Irrigation and Power Department, Finance Department and the Audit and they have all settled up amongst themselves. The facts on the basis of which the matter was settled were not placed before the Committee. The Committee decided that this should be done in future. This para was, however, dropped.

16. *Page 89, item No. 7—Sale of Stores in contravention of Government Orders*—In this item there was a sale of stores in contravention of Government orders to the tune of Rs. 6,206. This sale was further on credit and was made to Government Officers. According to the Department in the year 1959 there was no Government order not to make such sales; on the contrary there was a provision that sales could be made on credit. It was pointed out by the Audit that Government banned such sales under an order dated 14th February, 1959 but even thereafter some sales were made which were in contravention of the order. As far as this particular item was concerned only a sum of Rs. 293 could be realized which has been verified by the Audit and the balance was outstanding. The Committee desired that the Department should expedite the recovery and notify the same to the Audit for verification.

Considering the fact that this evil has no chance of recurrence in view of the present Government orders, the Committee did not wish to pursue the question of disciplinary action being taken and the para was dropped.

17. *Pages 236-37, Serial No. 19—Theft of Cash and other Government Material—(i) Item No. (i)*—The explanation was found satisfactory and the para was dropped.

(ii) *Item No. (ii)*—This case has been incorporated in the Audit Report on Appropriation Accounts for 1959-60.

(iii) *Item No. (iii)*—According to the Department the amount involved has been recovered. The item was dropped subject to verification by the Audit.

(iv) *Item Nos. (iv) to (vii)*—These items have been incorporated in the Audit Report on Appropriation Accounts for 1960-61.

18. *Page 237, Serial No. 20—Shortage of Stores—(i) Item No. (i)*—In this case there was a shortage of stores worth Rs. 35,295 out of which a sum of Rs. 3,249 has been recovered. The balance is yet to be recovered. The Superintending Engineer of the Department on investigation has found that the shortage was actually Rs. 8,901 and not 33,295. This should be verified by the Audit.

The officer concerned has resigned but the Department is not accepting the resignation on account of recovery. According to the Department the officer concerned is a worthless officer. The Committee was of the view that it was not worthwhile to keep him in service for the purpose of making a recovery, thus making payment to him in the first instance and recovering a part of the payment from him. With this observation the item was dropped.

(ii) *Item No. (ii)*—According to the Department this matter is pending investigation. The Audit suggested that they might also be associated with this investigation to which the Secretary, Irrigation and Power Department, agreed. In the opinion of the Committee this was a healthy practice. The Committee hoped that the inquiry would be completed at an early date.

(iii) *Item No. (iii)*—This item has been incorporated in the Audit Report on Appropriation Accounts for 1960-61.

(iv) *Item No. (iv)*—In this case out of Rs. 12,496 which was to be realized on account of numerous cases of shortage of stores, a sum of Rs. 3,344 was stated to have been realized and the remaining amount was under recovery. It was reported that a sum of Rs. 966 was recoverable from one Mr. C. L. Gulhati who has migrated to India. The Committee recommended that this amount might be written off. With this recommendation and subject to verification of the recoveries by the Audit, the item was dropped.

(v) *Item No. (v)*—In this case out of a sum of Rs. 299 which was to be recovered a sum of Rs. 120 has been recovered, and the remaining Rs. 109 is still outstanding. Subject to the recovery of the balance and verification by the Audit, the item was dropped.

(vi) *Item No. (vi)*—This item has been incorporated in the Audit Report on Appropriation Accounts for the year 1960-61.

19. *Page 238, Serial No. 21—Mis-appropriation of Stores worth Rs. 23,000.* In this case there was a question of mis-appropriation of stores of the value of Rs. 23,000 by certain officers of the Department and a contractor. The case was taken to the court and the accused persons were convicted to a fine of Rs. 23,000. It was not clear from the working paper whether in the judgement there was any mention of this amount being paid to the Department on account of the loss rendered to it.

The item was, however, dropped.

20. *Page 238, Serial No. 22—Excess payment of Rs. 25,000.*—In this case an excess payment of Rs. 25,000 was reported by Sub-Divisional Officer. On actual inquiry by the Superintending Engineer it was found that only Rs. 4,700 was paid in excess to the contractor. The amount in question has since been realised from the contractor and the Sub-Divisional Officer has been warned for giving an exaggerated report. The item was dropped.

21. *Page 238, Serial No. 23—Undue Financial Aid to Contractors.*—

(i) *Item No. (i)*—In this case a sum of Rs. 67,944 was paid by way of advance payment to a Hindu Contractor. Mr. Dahar, Superintending Engineer, Headquarters, Sukkur, stated that a bill of this contractor for the amount which exceeded the amount in question is pending in the Department for payment. The Committee was clearly of the opinion that the amount should be adjusted and the balance should be kept on the books to be dealt with according to the law of the land. With this observation, the item was dropped.

(ii) *Item No. (ii)*—In this case a sum of Rs. 30,700 was paid by way of advance payment to a contractor. This amount has since been realised. The item was dropped.

(iii) *Item No. (iii)*—In this case also a sum of Rs. 1,17,572 which was due from a contractor on account of advance payment has since been realised. The item was dropped.

22. *Page 238, Serial No. 24—Mis-appropriation of cash.*—The explanation was found satisfactory and the item was dropped.

III. The Committee then considered the explanation of the *Irrigation and Power Department* in respect of Audit objection relating to *Grants* in the Appropriation Accounts for the year 1958-59.

(1) *Page 3, Para. 5—Serial No. 5—Grant No. 12—Irrigation Establishment Charges—Saving Rs. 74,16,975.*—In this case the final grant was Rs. 6,53,30,010 and Saving was Rs. 74,16,975. The percentage of saving was 11.35. The explanation of the Department for this saving was found quite satisfactory and the paragraph was dropped.

(2) *Page 3, Para. 5—Serial No. 6—Grant No. 13—Charges on Irrigation—Capital, Saving Rs. 2,84,87,826.*—In this case the grant was Rs. 23,01,05,310 and the Saving was Rs. 2,84,87,826. The percentage of saving was 12.38. This was a grant for 12 months which was subsequently changed into 15 months and the grant was on the higher side considering the expansion in time. The explanations given by the Department for the saving was found satisfactory and the paragraph was dropped.

(3) *Page 4, Para. 8, Serial No. 3—Grant No. 11—Irrigation Works—Excess Rs. 99,74,998.*—The explanation of the Department for the excess expenditure was found satisfactory. The Committee recommended that necessary grant to regularise the excess over the voted grant may be made by the Governor under Article 235 of the Constitution.

4. Page 7, Para. 12 (iii)—*Surrenders in absence of savings. Grant No. 11—Irrigation Works.—Major Head '18'—(a) Incharge of Public Works Officers—Amount of excess Rs. 66,25,518. Amount surrendered Rs. 81,66,400.—The explanation was found satisfactory and the paragraph was dropped.*

IV. The Committee then adjourned to meet again on the same day at 12.00 noon for consideration of certain items pertaining to Communications and Works Department.

LAHORE :

S. M. SOHAIL

CHAIRMAN,

Standing Committee on Public Accounts.

The 19th February, 1965.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 19TH FEBRUARY, 1965 AT 12-00 NOON
IN THE COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING,
LAHORE.**

I. The following were present—

- | | | | |
|---|-----|-----|------------------------------|
| (1) Mr. S. M. Sohail, M. P. A. | ... | ... | Chairman. |
| (2) Sardar Ahmed Ali, M. P. A. | ... | ... | Member. |
| (3) Mr. Ata Hussain Khan, M.P.A. | ... | ... | Member. |
| (4) Mr. Muhammad Akbar Khan, M.P.A. | ... | ... | Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial
Assembly of West Pakistan | ... | ... | <i>Ex-officio</i> Secretary. |
| (6) Mr. Nazir Ahmed Chaudhri, Director, Audit and
Accounts (Works) | ... | ... | By invitation. |
| (7) Mr. Rafiq Inayat, C.S.P., Secretary to Government
of West Pakistan, Communications and Works
Department, accompanied by other officials of
the Department. | | | Ditto. |

II. The Committee resumed consideration of the explanation of the Communications and Works Department in respect of the following Audit objection and irregularities pointed out in the Appropriation Accounts for the year 1957-58, which were partly considered by the Committee on 16th February, 1965 and further details were required to be furnished —

1. *Page. 15, para. 17 (a) (3) 4—Shortage of Stores—*This case was considered by the Committee at its meeting held on 16th February, 1965. The Committee had asked that Mr. Sharif Bhatti, the officer who conducted the enquiry and Mr. A. A. Eskari, the then Executive Engineer (Now Superintending Engineer) should appear before the Committee on 19th February, 1965. They were present and examined by the Committee. The facts were that when some of the timber was received at Lahore it was measured by an overseer who had measured it as 4721.6 cft. This timber was thereafter sent up for being utilised and consumed. This was done in November, 1953. On or about 19th January, 1964 one Mr. Bashir Hussain Bukhari Overseer, who was supposed to make payment for this timber again had performed what is called the measurement and he recorded the measurement as 6110.62 cft. although by this time the timber had already been utilised and there was no timber available for measurement and the entry was manifestly and obviously fictitious. There is an endorsement in Book No. 40 by Mr. Ghulam Ghaus, S.D.O., calling upon the clerk to check it and prepare the bill. While Mr. Sharif Bhatti the enquiry officer had taken so much pains to ask for an explanation from Mr. Eskari, who did nothing more in this case than to select the timber required by them at Landaki, he had forgotten to examine or ask for an explanation from Mr. Ghulam Ghaus S.D.O. The Committee considered this a manifest omission on his part and he accepted that it would have been much better if it had occurred to him to examine the S.D.O. also. Mr. Bashir Hussain Bukhari, Overseer, has been screened out and is no more in service. Mr. Ghulam Ghaus, S.D.O. was only responsible for a token check which was done by him calling upon the clerk to check and then to prepare the bill. It was pointed out that Mr. Ghulam Ghaus, S.D.O. should have done better and conducted physical check in which case the whole fraud would have been brought to his notice. Be as it may, the Committee desired that the Department should pursue this matter and make recovery from Mr. Ghulam Ghaus, S.D.O. and if that recovery is not possible then the Department should take action for writing off the amount involved.

The Committee observed that the Audit had done well in trying to spot-light the attention of the Committee to this item which has shown as to how sometimes intelligently a loss is caused. Although the Committee could not do much in this

matter by way of recovery, the Committee hoped that this will serve as an eye opener to the Department to stream-line the organization in a better way.

With these observations the para. was dropped.

2. *Page 22, Para. 17 (a) (5) and (6)—Irregular payments*—These paras were considered by the Committee at its meeting held on 16th February, 1965. The Committee decided to drop these paras subject to the continuance of disciplinary action.

3. *Page 23, Para. 17 (a) (15) (6)—Cost of Material not recovered*—This matter was also considered by the Committee at its meeting held on 16th February, 1965. In this case a sum of Rs. 8,550 was to be recovered from the Contractor. The Chief Engineer stated that this amount has been adjusted. The Committee decided that it should be checked up by the Audit. Subject to this, the para. was dropped.

4. *Page 23, para. 17 (a) (15) (2)—Cost of Material not recovered*—This case was examined by the Committee at length on 16th February, 1965. This is one of those few cases where Government contractors have lost money on Government contracts, the reasons being that they were called upon to lay bricks and burn the same, due to pressing necessity of constructions required for the One Unit accommodation, even during the rainy season when it was well-nigh impossible as it amounted to fighting with nature which was pouring out rains and the floods were coming in.

It was brought to the notice of the Committee that one kiln belonging to Haji Muhammad Nazir, against whom the major amount of Rs. 36,354 is outstanding was actually washed away. It is further stated that Government, considering these difficulties had decided to compensate some of the brick makers by giving additional amounts over and above the agreed rates. But these people had become so crazy on account of the great losses suffered by them that they did not even have the sense and foresight to go in for an arbitration. Although the Committee fully realized Audit's point of view, the Committee felt that this is a case for a write off. Out of the total amount, a sum of Rs. 4,380 which is due from Messrs. Muhammad Latif Taj Din is said to be the amount which might be recovered. The Committee decided that the Department should pursue this matter, but if this amount also cannot be recovered, the whole amount, should be written off. With these observations, the para. was dropped.

III. Secretary, Communications and Works Department placed before the Committee his notes containing suggestions for improvement in the preparation of Appropriation Accounts and Audit Report and for the appointment of a whole-time inquiry officer in the Communication and Works Department. These notes are at Annexures A & B. The Committee decided to consider these notes at its meetings to be held in March, 1965.

IV. The Director, Audit and Accounts (Works) suggested that the desirability of issuing of clearance certificates before granting pension might be considered by the Committee. He pointed out that the issue of this certificate was at one time considered necessary to eliminate the chances of officials (against whom there were dues) escaping and receiving their pension while they have not cleared Government dues. The Committee decided that this issue should be examined by the Finance Department and brought before the Committee by that Department at its next meeting to be held in March, 1965.

V. The Director, Audit and Accounts (Works) further suggested that the files containing Government sanction for the writing off losses should be shown to the Audit. The Committee decided to consider this issue also at its next meeting to be held in March, 1965.

VI. The Committee then adjourned to meet again on 20th February 1965 at 9-00 a.m.

LAHORE :

S. M. SOHAIL.

CHAIRMAN

The 9th February, 1965.

Standing Committee on Public Accounts.

ANNEXURE 'A'

GOVERNMENT OF WEST PAKISTAN
COMMUNICATIONS AND WORKS DEPARTMENT

During the course of proceedings of the Public Accounts Committee on 16th February, 1965 certain suggestions for improvement in the preparation of Appropriation Accounts and Audit Report were made and the Committee desired that a note on this subject may be submitted. The following report has been prepared in accordance with the wishes of the Public Accounts Committee.

2. In the past, the practice for the preparation of Appropriation Accounts and the Audit Report was that Audit objections were not recorded under each Region separately with the result that the Administrative Department had to ascertain from the Audit Department about the Region to which the Audit objections related. From the Appropriation Accounts and the Audit Report for the year 1961-62 it appears that this practice has been modified and at present Draft-paras are recorded region-wise. This is certainly a great improvement on the previous procedure. But outstanding financial irregularities, un-sanctioned estimates, arrears in accounts, outstanding returns, suspense balances, other common paras and variations in appropriations continue to be shown at one place for the whole Department. No action can be taken on these items unless the name of particular Region Division, to which an Audit objection relates, is also indicated, and to ascertain this we have again to approach the Audit Department. This procedure wastes their time as well as ours. This also stands in the way of prompt disposal of Audit objections. Moreover, in order to dispose of common paras like those mentioned above, the presence of all the Chief Engineers and their staff becomes necessary whereas if these paras were also recorded under each Region only the Chief Engineer concerned would be required to be present for assistance of the P. A. C. It is, therefore, requested that in future while preparing the Appropriation Accounts and the Audit Report all common paras may be recorded under each Region. It is also suggested that while dealing with the Suspense Balance not only the Regional break-up should be given but also the break-up under each separate Heading like Stock, Purchases, Misch. P. W. Advances, Workshop Suspense and London Stores may also be given.

3. Another difficulty to which the attention of the P. A. C. was invited at the last meeting was that at present Budget allocations for Suspense expenditure are not received Region-wise. At present there is a lump sum provision for Suspense expenditure. Subsequently, this Department re-distributes grants to the Regional Officers. It would be a great improvement if the Budget allocation under Suspense is shown separately for each Region. This will make for better control over expenditure and explanations of Audit objections regarding variations in Suspense grants will also become easier. It is hoped that there will be no difficulty in adopting this procedure because the Finance Department is already showing separate provision for each Region in respect of carriage of Tools and Plants and the same practice can be easily adopted for the Suspense grants as well.

4. The Public Accounts Committee may like to consider these suggestions and take suitable action in the matter.

Dated 19-2-65.

(Sd.) _____

Secretary, Communications and Works Department.

ANNEXURE 'B'

GOVERNMENT OF WEST PAKISTAN
COMMUNICATIONS AND WORKS DEPARTMENT

Subject—Appointment of a whole-time Enquiry Officer in the Communications and Works Department.

During the proceedings of the Public Accounts Committee on 16th February, 1965, the question of appointing a whole-time Enquiry Officer for the Buildings and Roads Department was raised and the Committee desired that a note on the subject may be submitted to it on 19th February, 1965. The following note, is, therefore, submitted in accordance with the wishes of the Committee.

2. The question of appointment of a whole-time Enquiry Officer has been engaging the attention of the Communications and Works Department for sometime now and a proposal in this regard was also sent to the Services and General Administration Department in December, 1964. At present enquiries are in progress against 246 officers/officials of this Department. Most of these enquiries involve financial irregularities resulting in loss to the Public Exchequer and as disposal does not keep pace with institution of fresh enquiries the number of enquiries is piling up. Audit objections are also bringing to light numerous irregularities which also call for disciplinary action. The Public Accounts Committee rightly feels that the purpose of these enquiries is not fully served if the delinquent officials are not quickly brought to book.

3. At present the enquiries are entrusted to departmental officers who are fully pre-occupied with their normal functions and are unable to do full justice to these cases. The result is that proceedings are delayed. Sometimes accused officers die or retire while enquiries are still in progress and with passage of time evidence gets difficult to procure. All this works to the detriment of the prosecution with the result that it becomes difficult to fix responsibility and public interest suffers. Recoveries cannot be effected and Government is forced to write off the losses. Even if a case is proved after protracted proceedings the punishment does not have any deterrent effect because of the time lag between the commission of irregularities and the consequential disciplinary action. It is, therefore, of utmost importance that all enquiries against officers should be concluded with great despatch. This will have a salutary effect on the general tone of administration and will also save the Government the losses it has to suffer at present on account of non-recovery of wrong payments and defalcations. The total cost of the appointment of a whole-time officer and his complimentary staff for one year will be Rs. 30,160, as worked out in the Appendix and will be easily compensated by the recoveries that will be effected as a result of expediting the enquiries.

4. The Public Accounts Committee may like to advise the Services and General Administration Department/Finance Department regarding the desirability of having a whole-time officer for a period of one year for the present. The position can be reviewed on expiry of that period.

(Sd.) _____

Dated 19-2-65.

Secretary, Communications and Works Department.

APPENDIX TO ANNEXURE 'B'

STATEMENT OF EXPENDITURE FOR 12 MONTHS

ALTERNATIVE No. I

				Rs.
1.	One Superintending Engineer at Rs. 1,700—50—1,900	..		20,400·00
2.	One Reader at Rs. 175—10—215—15—275/15—350	..		2,100·00
3.	One Stenographer at Rs. 175—10—215—15—275/15—350			2,100·00
4.	Two Peons at Rs. 65—1—80	..	..	1,560·00
Total				26,160·00
Other Allowances and Honoraria				1,500·00
Medical Charges				1,500·00
Contingencies				1,000·00
Total				4,000·00
Grand Total				30,160·00

ALTERNATIVE No. II

1.	One Enquiry Officer at Rs. 850—75—1,450—100—1,650	..		10,200·00
2.	One Executive Engineer at Rs. 750—75—1,500 <i>plus</i> Rs. 100 Technical Pay	..	..	10,200·00
3.	One Reader at Rs. 175—10—215—15—275/15—350	..		2,100·00
4.	One Stenographer at Rs. 175—10—215—15—275/15—350			2,100·00
5.	Two Peons at Rs. 65—1—80	..	..	1,560·00
Total				26,160·00
Other Allowances and Honoraria				1,500·00
Medical Charges				1,500·00
Contingencies				1,000·00
Total				4,000·00
Grand Total				30,160·00

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON 20TH FEBRUARY, 1965 AT 9-00 A.M.
IN THE COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

I. The following were present:—

- | | |
|---|------------------------------|
| (1) Mr. S. M. Sohail, M. P. A. | Chairman. |
| (2) Khan Ata Hussain Khan, M. P. A. | Member. |
| (3) Mr. Muhammad Akbar Khan, M. P. A. | Member. |
| (4) Sardar Ahmed Ali, M. P. A. | Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan. | <i>Ex-officio</i> Secretary. |
| (6) Mr. S. M. A. Subzwari, P. A. and A. S. Accountant-General, West Pakistan. | By Invitation. |
| (7) Mr. A. A. K. Babar, P. A. and A. S. Director, Commercial Audit. | Ditto. |
| (8) Mr. Inayat Ullah, C. S. P., Secretary, Basic Democracy and Local Government Department. | Ditto. |
| (9) Dr. Amir Muhammad Khan, Secretary to Government of West Pakistan, Health Department along with other officers of the Department. | Ditto. |
| (10) Mr. S. A. W. Moini, C. S. P., Deputy Secretary, Education Department. | Ditto. |
| (11) Mr. A. M. K. Mazari, S. K., C. S. P., Secretary to Government of West Pakistan, Industries, Commerce and Mineral Resources Department along with Controller, Printing and Stationery, West Pakistan, and other Officers. | Ditto. |
| (12) Mirza Bashir Ahmed, Deputy Secretary, Law Department accompanied by the Assistant Advocate-General, West Pakistan. | Ditto. |
| (13) Khan Fazlul Rahim Khan, T. Q. A., Joint Secretary, Agriculture Department. | Ditto. |
| (14) Brig. Sardar Ali, Joint Secretary, Home Department. | Ditto. |
| (15) Sh. Amir Ali, Director, Food Department. | Ditto. |
| (16) Mr. Savak R. Poonegar, C. S. P., Deputy Secretary, Finance Department. | Ditto. |
| (17) Mr. Abdul Qayyum, C. S. P., Chairman, Road Transport Corporation. | Ditto. |

II. The Committee in the first instance considered the explanations of the following Departments in respect of Audit objections and irregularities pointed out in the Appropriation Accounts for the year 1958-59 :—

BASIC DEMOCRACIES AND LOCAL GOVERNMENT DEPARTMENT

1. Page 3, para 5. serial No. 21, grant No. 40—*Miscellaneous Saving* Rs. 1,52,50,729—Under this head out of a final grant of Rs. 4,86,01,401 the expenditure was Rs. 3,33,50,681 and there was a saving of Rs. 1,51,50,729 which works out to 31.38 per cent. A sum of Rs. 6,60,000 was provided for the Audio-Visual Unit of the Village-AID Administration but sanction for the expenditure of Rs. 1,09,000 only was accorded by Government which led to the saving of the remaining amount. No explanation was furnished to the Committee as to why a provision of Rs. 6,60,000 was made for this item but sanction was accorded for Rs. 1,09,000 only. If the Department had asked for a sanction for this amount only, the Department should explain reasons therefor. But in case the Department

had asked for the sanction of a bigger amount or the whole amount, then the question would be why the amount asked for was not sanctioned when a provision was already there and when it was such an important Nation-building activity as the Audio-Visual Unit of the Village-Aid Administration. The Committee decided that these points should be explained by the Basic Democracies and Local Government Department at the next meeting of the Committee to be held in March, 1965.

The Committee was satisfied with the explanation for the remaining saving under this grant.

2. *Page 44, Para 18 (iv) (e). (Village-Aid)—Delay in disposal of inspection reports and Audit notes*—Under this item initially it was thought that 412 Audit Reports awaited reply from various Departments of Government and out of these 19 related to Basic Democracies and Local Government Department. Secretary, Basic Democracies and Local Government Department informed the Committee that 14 cases have already been cleared and verified by the Audit. He was pursuing the remaining diligently and he expected to clear them as early as possible making allowance for the difficulties inherent in as much as several officers have been transferred to other Departments and some have retired. Subject to the clearance of the remaining 5 cases, the para was dropped.

3. *Page 3, read with page 228, para 5, Serial No. 26, Grant No. 47—Loan and Advances bearing interest—Sub-Head 'R-Loans and Advances by the Provincial Government—A—Loans to Municipalities—Saving Rs. 12,49,125.*

No working papers in respect of this para. was submitted by the Basic Democracies and Local Government Department. Secretary of the Department explained that the Department would furnish the necessary explanation in conjunction with the Finance Department in the next meeting of the Committee to be held in March 1965.

4. *Page 4, Para. 8, Serial No. 4 read with page 97—Grant No. 14—General Administration—C—Secretariat and Headquarters Establishment Sub-Head (19) (3) Local Government Department—Excess of Rs. 34,128.*

No explanation for this excess was furnished by the Department. The Committee decided that the Department should explain this excess at the next meeting to be held in March, 1965.

HEALTH DEPARTMENT

1. *Page 3, Para. 5, Serial No. 9 read with page 126, Grant No. 21:Health Services—Saving Rs. 72,14,887.*

In this case, out of a total grant of Rs. 5,47,21,710 a sum of Rs. 4,75,06,823 was spent and there was a saving of Rs. 72,14,887. At the last meeting of the Committee held on 29th September, 1964, it was explained that a part of this saving was due to the fact that certain posts were to be filled in and as technical personnel was not available, they could not be filled and, therefore, there was a saving. The Committee then desired to know more facts about this matter.

Secretary, Health Department, now stated that the Department had advertised to get that personnel but that personnel was not available. The Committee observed that a large number of doctors were going out of this country and further a large number of doctors had taken to private practice and preferred private practice to taking appointments with the Government for obvious reasons that the emoluments offered by Government did not come upto living standard of doctors. It was pointed out to the Committee that another reason for which doctors do not like Government service is that residential accommodation is not provided for them and even with smaller emoluments it is not possible for them to pay for the quarters even if they are available. The Committee pointed out the importance and the utility from the public point of view of the Department having full strength of its personnel which the Department was unable to get because small emoluments paid to doctors were not substantially attractive to the changing times. The Committee suggested that the Department should reconsider the whole position so that the requisite strength may be available to man all the offices required to run this Nation-Building Department.

A part of the saving was, as was pointed out to the Committee at the last meeting, due to the fact that certain medicines which had been purchased were not available from the Medical Stores Depot. The Committee had asked the Department to explain as to why these medicines could not be purchased from the open market. Secretary, Health Department has now explained that the medicines could not be purchased from the open market because the Medical Stores Depot had the practice at that time to make a remark "hereafter" as a result of which the Department was not released to make purchases from the open market. The Medical Stores Depot has been instructed to clearly state so that, if a drug is not available with them, so that it can be purchased from the open market, instructions have also been issued to the effect that even if the Medical Stores Depot remarks "hereafter" the requisitioning Department should purchase it from the open market. Therefore, this type of saving was not likely to occur in future.

The 3rd item on which there was a saving was non-distribution of grants meant for Local Bodies. It was stated at the last meeting of the Committee that the grant could not be distributed as the meeting which was scheduled to be held for that purpose could not be held. The Committee asked for full details about this matter. Secretary, Health Department now informed the Committee that a meeting was due in June but it could not be held and the result was that more than Rs. 6 lacs could not be distributed to the local bodies for the purpose of carrying out their useful activities for the health of the masses. The meeting was fixed for 20th June but it could not be held because unfortunately the then Secretary of the Health Department was out of station. Secretary, Health Department conceded that with better arrangements and with more care this money could have been utilised and the meeting at any rate, should have been held in June. According to him the system has now been changed and the amount is now distributed by the Commissioners to the local bodies and as such there is no likelihood of there being any saving on this Head because the Commissioners are expected to be quite alive to the necessities of their localities and are likely to allocate the amount within time. Considering all these facts, the para. was dropped.

2. Page 230, serial No. 29. *Mis-appropriation of Rs. 4,197.*

At the last meeting held on 29th September, 1964, the Committee had asked the Department to take disciplinary action against the official at fault. Secretary, Health Department now informed the Committee that disciplinary action has been taken against the official and he has been reverted from the post of Senior Clerk to the post of Junior Clerk. He further explained that it was not really a case of embezzlement but it was a case of mis-posting. Subject to verification of this by the Accountant-General, the para. was dropped.

EDUCATION DEPARTMENT—FINANCE DEPARTMENT

Page 5, para. 8, Serial No. 13 read with page 226, Grant No. "46—Advances not bearing interest—Advances repayable—Sub-Head—"B—Special Advances (3)" Saving Rs. 1,730.

This was a case where a sum of Rs. 1,730 which was to be granted and was to be spent on Qarz-e-Husna to deserving students, could not be utilised as the Finance Department did not give their approval within time. At the last meeting held on 26th September, 1964, the Committee had asked the Finance Department to explain as to why this was not done. The Finance Department was not represented in today's meeting because Mr. Nasim, Additional Finance Secretary of the Finance Department, who has been representing the Department in previous meetings, was not well and other officers were engaged elsewhere.

In the last meeting the Committee had recommended that severe disciplinary action should be taken against the Regional Director, Lahore who had given incorrect facts in the working papers supplied to the Committee as a result of which the whole investigation of this question had been led the wrong channel and the time of the Committee was wasted. The Education Department did not submit any working paper about this matter but the Deputy Secretary, Education Department, stated

that they have taken some action and further action was pending. The Committee decided that this matter should come up before it at the next meeting to be held in March, 1965 when the Education Department should prepare working paper and the Finance Department should also explain why approval was not given in time.

INDUSTRIES, COMMERCE AND MINERAL RESOURCES DEPARTMENT

1. Page 3, read with page 55 para. 5, Serial No. 1, 1-Salt Saving Rs. 6,05,834
2. Page 5, para 9, read with page 55, Serial No. 1, 1-Salt Excess Rs. 1,41,415.
3. Page 3, Para 5, read with page 56, Serial No. 2, Grant No. 2—Capital Outlay on Salt Works Saving Rs. 2,31,153.
4. Page 55, Note No. 3, Non-submission of lists of remissions and abandonment of claims to revenue.

Explanation of the Department in respect of the above four paras were received by the Accountant-General on 17th or 10th February 1965. The Accountant-General did not have time to verify the detailed statements made by the Department. The working papers were sent to Assembly Secretariat without Audit comments. The Committee impressed upon the Secretary of the Department the desirability of preparation of the working papers along with the Audit Comments in advance of time to make it possible for the Committee to dispose them off in time. The Committee decided that the Department should furnish revised working papers which should contain the Audit Comments also well in time now so that the Committee might be able to consider these matters at its meeting to be held in March, 1965.

3. Appropriation Accounts 1957-58.

The above remarks also apply to the working papers submitted by the Department in respect of items relating to "Salt" mentioned in paras. 5 and 9, pages 5—7 read with pages 68-69 in the Appropriation Accounts for 1957-58.

EDUCATION DEPARTMENT—INDUSTRIES DEPARTMENT, AGRICULTURE DEPARTMENT.

Page 3, Para. 5, Serial No. 14, read with page 141, Grant No. 27—Head 43—Industries Saving Rs. 52,20,644.

At the last meeting of the Committee held on 28th September 1964, and 23rd November 1964, the Industries Department did not submit any explanation for the above saving. Secretary, Industries Department had stated that the record of the Emerson Institute for the Blind had been transferred to the Education Department and the Industries Department was not concerned with it. The Committee had directed the Education Department to explain the saving. The Education Department have now submitted working papers explaining the saving of Rs. 12,346 only pertaining to Sub-head "A.3 (e) Emerson Institute for the Blind". In their Letter No. BAQ-2/2 4-64 (BAO) dated the 14th February 1965 to the address of the Industries Department, the Education Department have stated that the remaining saving of Rs. 52,08,298 should be explained by the Industries Department. Secretary, Industries Department stated that he had not received that letter. Out of the saving of Rs. 52,08,298.00 the working papers for the saving of Rs. 64,243.00 pertaining to Sub-head "B—Fisheries" have been submitted by the Agriculture Department (Directorate of Fisheries). The Industries Department is, therefore, required to explain the remaining saving only. The Committee decided to defer consideration of this item to its meeting to be held in March 1965 and directed that the Industries Department should furnish the working papers regarding the remaining saving so that this item as a whole may be considered by the Committee.

LAW DEPARTMENT (ADVOCATE-GENERAL)

Page 4, para. 8 read with page 101, Grant No. 15—Administration of Justice—B-2—Law Officers, Excess Rs. 60,175.

Neither the Law Secretary nor the Advocate-General was present. The latter was reported to be in Karachi. The Committee decided that this matter should

be taken up at its next meeting to be held in March, 1965. The Advocate-General should appear before the Committee in that meeting.

AGRICULTURE DEPARTMENT

As the Secretary, Agriculture Department was busy with the Minister of Agriculture Afghanistan, he was not able to appear before the Committee on the 19th February, and today also. At previous meetings of the Committee, the Committee had pointed out that the conclusions that the Committee arrives at can have the maximum benefit only if the Committee had the assistance of the Secretary of the Department concerned. As the Committee is meeting again in March, 1965, the Committee decided to deal with the paras. relating to this Department (including the paras. relating to Agricultural Development Corporation) in those meetings.

HOME DEPARTMENT (PRISONS)

The Home Secretary was not present and it was noted that the working papers prepared by the Home Department were not complete. He did not send any intimation as to why he could not be present today. The Accountant-General did not receive the working papers for his comments. The Committee observed that it could have finished the paras. relating to this Department if the Secretary of the Department was present and the complete working papers had been submitted.

The Committee noted with disapproval this attitude of non-co-operation on the part of the Home Department in attending to their obvious duty in having the working papers prepared and the Secretary of the Department being available at the meeting for the necessary deliberations. The Committee decided that the paras. relating to this Department will be examined by it at its next meeting to be held in March, 1965. The Department should prepare complete working papers including Audit Comments and forward the same to the Assembly Secretariat well in time. In that meeting the Committee will also examine as to why there was this lach on the part of the Home Department. The Committee desired that the Home Secretary should be present in that meeting for examination.

FOOD DEPARTMENT

The Accountant-General, pointed out that the working papers of this Department were not sent to him for comments. The Committee explained to Mr. Sheikh, Director, Food Department, the desirability and the necessity of working papers being sent to the Accountant-General for his comments. Mr. Sheikh promised to take good that there would be no such re-occurrence in future. He will now send the working papers to the Accountant-General for his comments and will incorporate his comments in the revised working papers to be submitted to the Committee for consideration at its next meeting to be held in March, 1965.

FINANCE DEPARTMENT

As the request of Mr. Savak R. Poonegar, C.S.P., Deputy Secretary, Finance Department's consideration of the items relating to this Department was deferred till March, 1965.

COMMERCIAL ACCOUNTS

3. The Committee then resumed consideration of the Road Transport Corporation in respect of irregular issue of spare parts pointed out at page 351, para 306 of the Commercial Accounts for 1957-58. At the last meeting held on 15th February 1965, the Chairman of Road Transport Corporation was asked to explain the reasons for which the report asked for by the Committee at its meeting held on 12th September, 1964 was not furnished either to the Director, Commercial Audit, or to the Committee.

The Chairman, Road Transport Corporation explained to the Committee that at great length the reasons for the delay. He informed the Committee that disciplinary action by way of suspension of some officers whom he considered *prima facie* responsible for delay has been commenced. The Committee pointed out that the object of the Committee was not man-hunt; on the contrary the object was to ensure the efficiency of work in Departments; it was only in such cases where a person was found guilty of any fraud that severe disciplinary action was to be taken. The Committee was satisfied with the explanation made by the Chairman, Road Transport Corporation in respect of the delay.

At this stage it was pointed out to the Committee that in the year 1955-56 the total spare parts consumed were of the value of Rs. 4, 95,339.00 which almost doubled up to Rs. 7,65,766.00 in the year 1956-57. It was also pointed out that in the year 1955-56 the number of total fleet was 179 and in the year 1956-57 the number of fleet increased to 221 thereby there was an increase of 25 per cent in the fleet but the overall increase in the use of spare parts was 90 percent. As there was an overall increase of nearly ninety percent in the use of spare parts the Committee proceeded to examine how this had happened. It was stated on behalf of the Department that the spare parts might have been needed on account of more buses or on account of the fact that old buses needed more spare parts because as they grow old they need more spare parts but this phenomenal increase might also be due to lack of proper supervision in the issue of spare parts.

The Director, Commercial Audit, pointed out several cases where some spare parts had been issued to one bus several times within a very short period which might mean that either in spite of the best care these spare parts were needed or proper care was not taken at the stage of repairs and these spare parts were issued without any necessity.

The Committee observed that at this stage, sitting in the year 1965, it would be almost futile to call upon the Chairman, Road Transport Corporation, to go into an investigation as to how these spare parts were issued and who was responsible for the issue of the spare parts because the amount of labour and complication involved would be too great.

The moral of the lesson, however, was important and it was that in a big Department like this there was the necessity of a stricter control and more vigilant supervision in the issue of spare parts so that valuable material was not misused or swindled away. The Chairman, Road Transport Corporation has assured that he was himself very cognizant of that fact and in fact he has now, on the lines of certain previous instructions issued with certain modifications made by him, adopted a method of keeping a register of spare parts for each bus from which it will be very easy to find out what spare parts have been issued and when and under what circumstances, and, therefore, every time a spare part is required supervisory interest can be brought to bear on it so that there is no waste. The Committee was satisfied with his explanation and the effort promised to be made by the Chairman, Road Transport Corporation, in this direction. With these remarks and in the hope that stricter supervision all along the line will be maintained in the use of spare parts, the Committee decided to drop the para.

IV. The Committee then took up consideration of the explanation of the Road Transport Corporation in respect of writing off the loss of Rs. 43,500 mentioned, at page 81, para 82 of the Commercial Accounts for the year 1958-59.

At the last meeting held on 15th February 1965 the Chairman, Road Transport Corporation had promised to explain the reason for the writing off the entire amount at the meeting today. He now explained the matter in greater details. The entire sum of Rs. 43,500 was written off in a meeting with the Audit on whose advice this was done. This did not indicate that the bus was a total wreckage and now it has been established finally, that the engine and gear box were safe. The Chairman, Road Transport Corporation, pointed out that this engine and gear box were fitted on bus Nos. DG-44

on 10th February 1960, PBD-94 on 3rd November 1960 and DG-112, on 10th November 1961, respectively, and finally this was declared as unserviceable and deposited in store on 1st March 1962 under slip No. 49946 and sold for Rs. 500.56. He stated that this might not be the actual cost because spare parts of the buses got mixed up with pieces of junk. It meant that the gear box and engine had served for about three years after this incident. The Director, Commercial Audit, however, could not verify this part of the statement and this part, namely, the serviceability of the engine from 10th February 1960 to 1st March 1962 or near about that time, was dropped subject to check and verification by the Audit.

V. The Committee then considered the explanation of the Industries, Commerce and Mineral Resources Department in respect of the following Audit Objections and Irregularities appearing in the Commercial Account for the year 1957-58 which were partly considered at the last meetings but more detailed were asked for:—

1. Pages 55-56, para 61-67—*The Punjab Government Cotton Mills Lahore*—This matter was last considered by the Committee at its meeting held on 11th August 1964.

Under this Head a sum of Rs. 13,07,918 is outstanding against sundry debtors namely:—

	Rs.
1. Pak General Insurance Co. ..	2,50,241
2. M/s Rashid, Ghani and Malli (<i>Ex-lessees</i> of the Mills) For stock and stores consumed or sold by them ..	4,85,176
3. Rehabilitation Department—	
(a) For repairs, insurance and construction of buildings and purchase of machinery ..	2,25,865
(b) For capital expenditure on repairs of Machinery ..	2,65,548
Other Debtors ..	81,090

As for the first item, except for a sum of Rs. 56,000 the remaining amount has, either been realized from the Pak General Insurance Co. or from Mr. M. A. Qadir the screened Officer whose gratuity to the extent of six thousand rupees has been withheld. The remaining amount is under recovery from the Insurance Co. and the Department is pursuing the recovery diligently. The Committee desired that the recovery should be watched by the Audit.

As for the second item recovery from M/s. Rashid, Ghani and Malli, it was stated that the Department has approached the Law Department who have advised to approach the Civil Court and the Solicitor has been briefed to approach the Civil Court for instruction on proceedings and Government pleader No. 4 has been engaged to conduct these proceedings.

As for the third item recovery for repairs, insurance and construction of buildings, etc. from the Rehabilitation Department, on a new appraisal after adjustments of the views of the Industries Department against the Rehabilitation Department, and *vice versa*, it transpired that a sum of Rs. 1,27,272 is still due from the Rehabilitation Department, and the Industries Department is corresponding with the Rehabilitation Department and the Custodian of Evacuee Property for the realization of this amount. The Audit has not verified this adjustment. They should do it now.

As for the fourth item (Other debtors): the amount is due on account of the goods supplied to the Jail Department. The contention of that Department is they have made payment to the lessees, M/s Rashid Ghani and Malli. The Secretary, Industries Department pointed out that this item is also included in the arbitration matter against M/s Rashid, Ghani and Malli. The Committee decided that the Audit should watch all these recoveries, and the Audit should be informed about the recovery as and when they are made.

The Audit pointed out that the bank guarantee to the tune of Rs. 4 lakhs was accepted, which was faulty and if the Officer, who was responsible for accepting this guarantee at that time, had taken care, much of this embroilment which has been created, would have been avoided. Khawaja Muhammad Umar (presently O. S. D. in the Auqaf Department) was the Secretary of the then Rehabilitation Board and the members of the Rehabilitation Board were:—

- (1) Mr. Hadi Hussain, C. S. P., Secretary, Planning Commission.
- (2) Mr. A. A. Khan, Officer on Special Duty.
- (3) Mr. S. S. Jafri.
- (4) Mr. Q. U. Shahab.

The explanation of Khawaja Muhammad Umar, the then Secretary, as furnished to the Industries Department was that he had only implemented the decision of the Board. The question is whether the Secretary had pointed out to the Board the faulty nature of the surety, and whether the Board knew and had knowingly approved of this faulty surety. The position in law on the basis of the latest position would appear to be that if the Board did not know of the faulty nature of the surety, then the matter, so far as the Board is concerned, would be clear. If they know of it and still accepted the faulty surety, the only logical conclusion would be that they had waived the desirability of a good and proper surety. So in any case, so far as the Board is concerned, no action can be taken. As for the Secretary, however, it will have to be examined whether he had drawn the attention of the Board to the nature of the faulty surety, because it was his duty as Secretary of the Board to keep them informed about the true nature of the documents that he wished the Board to approve. The Committee advised the Industries Department to continue its enquiries on the question and decided to examine Khawaja Muhammad Umar, O. S. D. Auqaf, at the next meeting to be held in March, 1965. Industries should provide facilities to him to prepare himself for the examination.

2. Page 9, para 17-item (X) *Non-preparation of Accounts of Salt Stores at Saran*—This matter was initially considered by the Committee at its meeting held on 3rd September 1964. These stores were being run by the Central Excise at Hyderabad. No accounts have been prepared for the year under examination. The Committee desired that the Central Excise at Hyderabad should prepare the accounts for presentation to the Audit and in case they have any difficulties, they might approach the Excise Department. Industries Department shall pursue this matter further accordingly.

3. Page 129, para 130—*Shortage of Stores in Provincial Stationery Office, Lahore*—At the last meeting held on 11th August 1964, the Committee was informed that there was a dispute regarding this item being treated as a Commercial Accounts. That matter is still stated to be pending with the Finance Department for a decision on a procedural question whether it should be treated as a Commercial organisation or a service Department. The Committee decided that this matter should come up before it when the Committee considered the Commercial Accounts for the year 1959-60.

VI. The Committee then considered the explanation of the Industries, Commerce and Mineral Resources Department in respect of the following Audit objections approving in the Commercial Accounts for the year 1958-59:—

1. Pages 8-10 Para 17-18 *Delay in Preparation of Accounts*—Accounts of the:—

- (i) Virginia Tobacco Redrying Factory, Khairpur (1955-56 to 1958-59).
- (ii) Government Demonstration Weaving Factory, Shahdara, (1958-59).
- (iii) Sales and Display Depot, Lahore (1958-59).
- (iv) Punjab Government Cotton Mills Lahore in liquidation (1958-59).

were not prepared in time. These could not, therefore, be incorporated in the Commercial Accounts for the year 1958-59.

The Accounts for the first two concerns have since been included in the compilation for 1959-60.

Accounts of the fourth concern have also been prepared in the correct form and will appear in the next compilation.

Accounts of the Sales and Display Depot are still pending with the Department. The Committee decided that this should be expedited and the compilation of the accounts be reported to the Committee when it considers the Commercial Accounts for the year 1959-60.

2. *Page 66 Provincial Stationery Office, Lahore—*

(i) *Para 75*—This para was dropped with the direction that requisite approval should be obtained and such delays should be avoided.

(ii) *Para 76*—As sanction of Government to write off the amount has since been received, the para was dropped.

VII. For the reasons given earlier under the heading "*Agriculture Department*" in respect of Appropriation Accounts for 1958-59, the paras relating to the Agriculture Department in respect of Commercial Accounts for the year 1958-59 were also not considered. These paras. will now be considered by the Committee at its meeting to be held in March, 1965.

VIII. The Committee then adjourned to meet again on 11th March 1965 at 9-00 a.m.

LAHORE:
The 20th February, 1965.

S. M. SOHAIL,
CHAIRMAN,
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 21ST MAY, 1965 AT 9:00 A.M. IN
THE COMMITTEE ROOM OF THE ASSEMBLY BUILDING, LAHORE.**

I. The following were present :—

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| (1) Mr. S. M. Sohail, M.P.A. | .. Chairman. |
| (2) Khan Ata Hussain Khan, M.P.A. | .. Member. |
| (3) Mr. Muhammad Akbar Khan, M.P.A. | .. Do. |
| (4) Sardar Ahmed Ali, M.P.A. | .. Do. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan. | ex-officio Secretary. |
| (6) (i) Mr. S. M. Nasim, C.S.P., Additional Finance Secretary. | Expert Advisers. |
| (ii) Mr. Asif Rahim, C. S. P., Additional Finance Secretary | |
| (7) Mr. S. M. Subzwari, P. A. & A. S., Accountant-General, West Pakistan. | By invitation. |
| (8) Mr. N. A. Jaffari, P.A. & A.S., Director, Commercial Audit, Karachi. | Do. |
| (9) Mr. Aslam Bajwa, C.S.P., Additional Secretary, Agriculture Department. | Do. |
| (10) Chaudhri Imtiaz Ahmed, Additional Secretary (Excise and Taxation), Board of Revenue, West Pakistan. | Do. |
| (11) Mr. M. A. Muzzafar, C.S.P., Deputy Secretary, Industries, Commerce and Mineral Resources Department. | Do. |

II. The Committee considered the explanation of Agriculture and Excise and Taxation Departments in respect of Commercial Accounts for the year 1958-59.

AGRICULTURE DEPARTMENT

1. Page 10, para. 18, non-compilation of accounts of—

- (i) Item No. (v), *Shisham Exploitation Scheme in Mardan District—*
- (ii) Item No. (vi), *Jallo Rosin and Turpentine Factory, Lahore—*
- (iii) Item No. (vii), *Scheme for the exploitation of Ephedra Plant in Quetta Region—*

The explanations were found satisfactory and the items were dropped.

(iv) Item No. (viii), *Mechanical cultivation Scheme in Quetta Region—*The Additional Secretary Agriculture, explained that the Department did not have any official who was conversant with commercial accounts and, therefore, every time the Department prepared the accounts it could conform to the standard of the Commercial Audit. Therefore, in April, 1965, the Department deputed an official to Karachi to take training in preparation of Commercial Accounts according to the requirements of Commercial Audit and as soon as that official is trained, the accounts would be completed according to the requirement of Commercial Audit. The Committee decided that in these circumstances no further action was necessary, but the matter might come up again before the committee if the accounts prepared by the Department were not found to be satisfactory by the Commercial Audit.

(v) Item No. (ix), *Agriculture Engineering Workshop, Tando Jam—*Same as against item No. (viii) above.

2. Page 32, Shisham Exploitation Scheme in Mardan District—

(i) Para. 39—*Outstanding Dues—*The Department claimed to have realised the outstanding amounts. The Committee decided that the Audit should verify and, if necessary, bring up the item again before the Committee.

(ii) Para. 40, *Loss to Government due to charging of less rate of interest.* The explanation was found satisfactory and the para. was dropped.

EXCISE AND TAXATION DEPARTMENT

Pages 711, paras. 16—18—

XVI—Opium Alkaloids Factory, Lahore. 1958-59—In this case the accounts for the year 1958-59 have been submitted to and checked by the Audit. It was explained that the nonpreparation of the Accounts was due to the fact that the Department did not have a qualified person to prepare the accounts to the requirements of commercial Audit. The Department has since obtained the services of a suitable person, who is competent to prepare accounts according to the requirements of Commercial Audit and the Department hoped that in future all the accounts would be prepared and presented to the Audit for their examination.

III. The Committee then took up consideration of the item relating to the Mela Ram Cotton Mills, Lahore, appearing at pages 55-56, paras. 61—67 of the West Pakistan Commercial Accounts for 1957-58 and Audit Report, 1959.

This item was last considered by the Committee at its meeting, held on 20th February 1965, wherein the Committee decided to examine Khawaja Muhammad Umar, O. S. D., Auzaf Department, who was the Secretary of the then Board on the point as to how it was that a faulty surety was approved by the Board.

Khawaja Muhammad Umar who appeared before the Committee stated—

- “(i) the first point that I wish to state is that I do not have an independent recollection of what had transpired at that time, which is now about eleven years;
- (ii) the second point is that the original file, which was then maintained in chronological order, has now been split up and its portions are lying with the Anti-Corruption Department, the Court and the Police, with the result that I had no access to the original file;
- (iii) the third point is that soon after the meeting in which the surety was approved by the Board, I was relieved of this job. I was given this job in addition to my own duties as Under-Secretary in the Punjab Civil Secretariat, with the result that I had not followed up the case”.

Coming to the point under consideration of the Committee he stated that it appeared to him that when the case was referred to the Law Department for opinion all the documents concerning this case, the agreement deed, the partnership deed; the bank's correspondence with the Board, etc., were not probably sent to the Law Department and that the case had earlier been referred to the Additional Advocate-General, now a Judge of the High Court, who had given the following opinion, on the 7th July, 1961:—

“I do not agree with the suggestion made in para. 2 of the Director of Industries letter that the amount could not be recovered from the bank, and that the guarantee was defective, and that it was withdrawn. In fact there was no defect in the guarantee and it was irrevocable and it was not open to any party to withdraw it”.

Chairman—Do you maintain that the surety was a good surety?

Khawaja Muhammad Umar—I do maintain that the guarantee provided by the party was a good and proper guarantee, and the opinion given by the Law Department that it was not a good guarantee was on account of the fact that all the documents had not been placed before the Law Department.

I have also pointed out to no less a person than the Additional Advocate-General (now a Judge of the High Court) and his opinion is in writing on the file.

Chairman—What is his opinion?

Khawaja Muhammad Umar—The Director of Industries wrote to the Additional Advocate-General that—

- (i) they had come across a difficulty and their objection was that the amount which was covered by the guarantee could not be recovered;
- (ii) the fact that the amount could not be recovered was because of the fact that the guarantee was not a good and proper guarantee;

(iii) this guarantee had been withdrawn by those who gave it.

I have not seen the letter to which this is a reply, but probably the bank wrote to the Rehabilitation Board that they were not prepared to honour this guarantee because one of the parties, who had account with the bank, Chaudhri Abdul Ghani Ghuman, wrote to the bank that no payment should be made.

Chairman—You say that they wrongly say that the guarantee given was defective; how do they wrongly say that?

Khawaja Muhammad Umar—Well, sir, I have tried to go as deep as I could but I have failed to see as to how this inference was drawn.

Chairman—How do they say that this guarantee was an insufficient?

Khawaja Muhammad Umar—May I request you, sir, to ask the officers present here; they must be knowing as to how this opinion was based.

Chairman: Will you please read the opinion of the Law Department saying that it was defective?

Khawaja Muhammad Umar—Sir, I will read to you the relevant portion. It is as follows:—

“The commitment of the bank does not amount to a guarantee under sections 126 and 127 of the Contract Act, 1872, as there is no reference in it to the debt due from Sardar Rashid and his other two partners.”

Chairman—Will you please read the guarantee?

Khawaja Muhammad Umar—It is as follows—

“The Sialkot Central Co-operative Bank Ltd., Sialkot, hereby undertakes, vide its Working Committee's Resolution No 6, dated 18th July, 1964, to pay to the Rehabilitation Board, Punjab, on demand a sum upto four lakhs on behalf of Sardar Rashid Ahmed, lessee, Chaudhri Abdul Ghani and Chaudhri Nasir Ahmed Malli, the partners of M/s Rashid Ghani and Malli for the Mela Ram Cotton Mills.”

This guarantee can only be understood if it is seen why it was demanded and what was the need for it. This is clear from the advertisement that was put in the press, the agreement that was executed and the partnership deed that was accepted.

Chairman—What does the Law Department say; read the opinion again?

Khawaja Muhammad Umar—The Law Department says—

“The commitment of the bank does not amount to a guarantee under sections 126 and 127 of the Contract Act, 1872, as there is no reference in it to the debt due from Sardar Rashid Ahmed and his two partners.”

Chairman—Was it properly stamped?

Khawaja Muhammad Umar—The original is not on the file, sir, it is with the Criminal Court. I do not know whether it was properly stamped, but this was not the objection raised at any stage.

Sir, it appears that the Industries Department wrote to the Additional Advocate-General that they were confronted with the difficulty in this case, in as much as that the guarantee is defective; it has been withdrawn and they are unable to recover the money. They sent all the papers to him. He wrote—

“I do not agree with the suggestion made in para. 2 of your letter that the amount could not be recovered from the bank and the guarantee was defective. In fact there was no defect in the guarantee and it was irrevocable, and it was not open to any party to withdraw it.”

The Committee after considering all aspects of the case was inclined to agree with the Additional Advocate General that the guarantee was couched in the widest term and was quite good one, valid guarantee. The Law Department did not give

any reason as to how the guarantee was defective or inadequate. The Committee was of the opinion that the guarantee being unconditional could not be revoked and the amount recoverable under the guarantee was to be paid on demand.

The Committee observed that this case had a long and chequered history and has several strings—political and otherwise attached to it. The Committee was left with the feeling that this case was not pursued as it should have been, in the original Department, and also in the Department of Law. The Committee suggested that the whole case should be re-examined. The guarantee, if it is a good and proper guarantee, should be pressed and the money should be realised. In any case the entire case should be looked into and all the actions that are advisable should be taken to effect the realization of this amount.

IV. The Committee then adjourned to meet again at 11-00 a.m. for preliminary examination of Commercial Accounts for the year 1959-60.

LAHORE :

The 21st May, 1965.

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S. M. SOHAIL,
CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD IN COMMITTEE ROOM 'C' OF
THE ASSEMBLY BUILDING, LAHORE ON 22ND MAY, 1965
AT 9-00 A.M.**

I. The following were present:—

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| (1) Mr. S. M. Sohail, M.P.A. | ... | Chairman. |
| (2) Sardar Ahmed Ali, M.P.A. | ... | Member. |
| (3) Khan Ata Hussain Khan, M.P.A. | ... | Member. |
| (4) Mr. Muhammad Akbar Khan of Paniala, M.P.A. | ... | Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan | ... | <i>ex-officio</i> Secretary. |
| (6) (i) Mr. S. M. Nasim, C.S.P., Additional Finance Secretary. | } | Expert Adviser. |
| (ii) Mr. Asif Rahim, C.S.P., Additional Finance Secretary. | | |
| (7) S. M. A. Subzwari, P.A. and A.S., Accountant-General, West Pakistan | ... | By invitation. |
| (8) Mr. Mushtaq Hussain Munir, Secretary to Government of West Pakistan, Law Department alongwith the Advocate-General, West Pakistan | ... | Ditto. |
| (9) Chaudhri Sultan Mahmud, P.C.S., Secretary (Settlement) Board of Revenue, West Pakistan | ... | Ditto. |
| (10) Dr. Amir Muhammad Khan, Secretary to Government of West Pakistan, Health Department | ... | Ditto. |
| (11) Mr. S. M. Hassan, C.S.P., Deputy Secretary, Services and General Administration Department | ... | Ditto. |
| (12) Mr. S. M. Tirmzi, Deputy Secretary, Basic Democracies, Social Welfare and Local Government Department | ... | Ditto. |
| (13) Sheikh Amir Ali, Director, Food Department | ... | Ditto. |
| (14) Fazalur Rahim Khan, T. Q. A., Joint Secretary (Agriculture), Agriculture Department | ... | Ditto. |
| (15) Mr. Amir Ahmed Khan, S.K., Joint Secretary (Forest), Agriculture Department | ... | Ditto. |
| (16) Mr. S. R. Poonegar, C. S. P., Deputy Secretary, Finance along with Mr. N. H. Jaffari, Member (Finance) WAPDA, Raja Ahmed Khan, Chairman, Co-operative Development Board and the Chief Accountant, Agricultural Development Bank | ... | Ditto. |
| (17) Chaudhri Niaz Ahmed, C. S. P., Secretary to Government of West Pakistan, Home Department | ... | Ditto. |

II. The Committee examined the explanations of the following Departments in respect of Audit objections and irregularities pointed out in the Appropriation Accounts for the year 1958-59.

INFORMATION DEPARTMENT

Page 3, para 5, read with page 216—Grant No. 40—Miscellaneous—J-7 (G)—Other charges—state guests—(Saving Rs 7,804)—The explanation was found satisfactory and the para was dropped.

LAW DEPARTMENT

Page 4, para. 8, read with page 101—Grant No. 15—Head—27—Administration of Justice—B-2—Law Officers—(Excess Rs. 60,175)—In this case the Advocate-General, West Pakistan pointed out that the expenditure to the extent of Rs. 63,075 relating to the sub-head "B-3—Muffasil Establishment" was debited to the sub-head "B-2—Law Officers" due to misclassification on the part of the drawing and disbursing officers of the Law Department and the Solicitor's Department against whose accounts the expenditure was to be booked failed to point out the misclassification. As the excess was due to misclassification of account only, the para. was dropped.

REVENUE DEPARTMENT

(1) Page 4, para. 8, read with page 95—Grant No. 14—General Administration—Sub-head "(14) Board of Revenue"—(Excess Rs. 5,852)—The explanation was found satisfactory and the para was dropped.

(2) At this stage the Committee also considered the irregularity, pointed out in para 17 (a) (34) (ii) (page 43) of the Appropriation Accounts for 1957-58 which was dropped by the Committee at its meeting held on 1st August, 1964 as the Department had claimed that the irregularity had been regularised. The Audit pointed out that the unauthorised expenditure to the extent of Rs. 107 has not yet been regularized by the Department. It was stated on behalf of the Department that action for writing off this amount has been initiated and thus as soon as the amount is written off, the Audit will be informed. The Committee did not consider any further action on its part necessary.

REHABILITATION DEPARTMENT

(i) Page 3, para. 5, read with page 217—Grant No. 40—Miscellaneous—J-10(c)—Surrender of Rs. 2,09,610—(Saving of Rs. 1,50,197)—

Administration—C—Secretariat and Headquarters Establishment
Administration—C—Secretariat and Headquarters Establishment
12(1)-(m) Refugees and Rehabilitation Department—Surrender of
Rs. 17,670 —(Excess of Rs. 14,417)—

(iii) Page 36, para. 3—(Loss of Cash Rs. 1,736)—

The Department concerned did neither furnish any working papers in respect of these items nor the representatives of the Department attended the meetings of the Committee for examination by the Committee. The Committee decided to report this matter to the Assembly.

HEALTH DEPARTMENT

(1) Page 4, para. 8, read with page 94—Grant No. 14—General Administration—C—Secretariat and Headquarters Establishment—12-1-Civil Secretariat—J—Health Department—(Excess Rs. 15,088)—In this case out of the original grant of Rs. 4,12,440 a sum of Rs. 11,940 was surrendered leaving the modified to Rs. 4,00,500. But a sum of Rs. 4,15,588 was actually spent and thus there was excess expenditure to the tune of Rs. 15,088. The explanation furnished by the Department for the excess expenditure was found satisfactory, but the Committee pointed out to the Secretary, Health Department that the Department while surrendering the sum of Rs. 11,940 should have taken care of the situation that they had spent Rs. 15,088 over items not provided for. With a little more vigilance on the part of the Health Department, they could have very well moved for the re-appropriation of the amount which they had surrendered to cover this item. Subject to this observation the para. was dropped.

(2) Page 3, para. 5, read with 214—Grant No. 40—Miscellaneous—E—Temporary Loans and Advances written off—(Saving Rs. 1,290)—This para. relates to an amount of Rs. 1,290 which was to be spent on temporary loans and advances to students in the Bahawalpur area. This amount was obtained by the Department by way of reappropriation but was not spent and had to be surrendered.

The Health Department did not furnish any working papers showing the reason for which the amount was not spent. As the Committee could not defer the consideration of this para. to another date, the Committee asked the Health Secretary to explain the matter orally if he could do so. He explained that the Department was anticipating some expenditure under this Head and that was the reason why they had asked for this reappropriation to provide against certain contingencies but as such a situation did not arise the amount could not be spent. Although the Committee considered the principle involved in this case to be an important one but in view of the very small amount of money involved the Committee did not consider any further explanation necessary and dropped the para.

SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

Page 4, para. 8, read with page 96—Grant No. 14—GA—E—District—Administration—17 (1)—District Office Establishment pay of officers—(Excess of Rs. 19,786)—In this case also, the original grant was Rs. 30,62,770. Out of this a sum of Rs. 2,58,050 was surrendered leaving a balance of Rs. 28,04,720 but a sum of Rs. 28,24,506 was actually spent thus there was an excess expenditure to the tune of Rs. 19,786. The Department did not furnish any explanation for the surrender of Rs. 2,58,050. As to the excess expenditure, the Department stated that it was due to the posting of senior officers in the districts in the closing months of the financial year 1958-59.

The Accountant-General pointed out and rightly that as the names of the senior officers, and their dates of appointment had not been furnished by the Department and this data was not even available at the Committee stage the accuracy of the statement contained in the Working paper could not possibly be checked. Mr. S. M. Hassan, Deputy Secretary, Services and General Administration Department produced before the Committee a note from the Commissioner, Hyderabad Division, stating that a sum of about Rs. 15,000 was spent in excess on account of the difference in salaries of Deputy Collectors and Dafadars, etc., and in the same note he had stated that the information regarding salaries of senior officers was not available.

Considering the amount involved in this case the Committee was inclined to drop this para. without any comments. But the Committee had a feeling that in this case sufficient pain had been taken to collect the necessary information for the generalisation contained in the Working Paper prepared by the Department that "This excess is due to the posting of senior officers in the district in the closing months of the financial year 1958-59", although the Committee had more than once emphasised that the information supplied by the Departments to the Committee must necessarily not only be correct but accurate also. As the Committee was closing the examination of the Accounts of the year and had to submit its report very shortly, it had no more time at its disposal, to go into this matter in some detail and dropped the para.

BASIC DEMOCRACIES, SOCIAL WELFARE AND LOCAL GOVERNMENT DEPARTMENT

(1) Page 3, para. 5, read with page 216—Grant No. 40—Miscellaneous—J-3—Village Aid and Industrial Development—Surrender of Rs. 45,05,052 and (Saving Rs. 83,16,760)—This para. was considered by the Committee at its meeting held on 20th February, 1965. In that meeting it was stated on behalf of the Department that a sum of Rs. 6,60,000 was provided for the Audio-Visual Unit of the Village Aid Administration but sanction for the expenditure of Rs. 1,00,900 only was accorded to by the Finance Department which led to the surrender of the remaining amount through first statement of Excesses and Surrenders. In that meeting the Committee had pointed out that it would like to know whether this saving was due to the laxity of the Administrative Department who asked for the sanction of Rs. 1,00,900 only and, therefore, or was this on account of some other factor and that although they had asked for entire amount to be released, yet the Finance Department had accorded sanction only for Rs. 1,00,900. The contention of the Department is that although there was a provision of Rs. 6,60,000, the amount which was finally approved by the Central Government for the Scheme was Rs. 2,15,000 and this was due to the fact that the original grant of Rs. 6,60,000 was based on estimates which were later found out to be exaggerated, and therefore the Department asked for the sanction of Rs. 2,15,000 which had been finally sanctioned by the Central Government. But although a sum of Rs. 6,60,000 was provided

for in the budget the Finance Department accorded sanction only for Rs. 1,00,900. The Finance Department explained before the Committee that this might be on account of the fact that sanction of the Central Government came late and, therefore, it might have been considered proper to curtail the amount, or there might be some other factors. According to the Basic Democracies and Local Government Department, sanction of the Central Government was available on 10th October, 1958 and the Department had approached the Finance Department for sanction of this amount immediately thereafter. This item relates to an important nation-building activity in the Village Aid Administration and the Committee had given quite some time to find out as to why the entire amount which could and should have been released to the Department was not sanctioned. The Committee was not satisfied with the explanation given that there was any good reason for withholding this sanction although sufficient time had been given to the Departments concerned, namely, the Finance Department and the Department concerned to explain as to how this happened. The Committee drew the attention of the Government to this item for further probe and for taking such action as they consider necessary.

Mr. S. M. Nasim, Additional Finance Secretary stated that the Finance Department did not have sufficient time to explain the withholding of the sanction for the remaining amount because the Finance Department was never called upon to place their case before the Committee regarding this item. The Committee did not agree with him because the Committee had recorded in the minutes of the last meeting that if the Department had asked for a sanction of this amount only, the Department could explain reasons, therefor, but in case the Department had asked for the sanction of a bigger amount or the whole amount, then the question would be as to why the amount asked for was not sanctioned when a provision was already there and when it was such an important nation-building activity. The Finance Department was represented in that meeting by a Deputy Secretary, the minutes of the meeting were recorded in his presence and copies of the minutes were subsequently forwarded to the Finance Department. The Committee decided to give another opportunity to the Finance Department to submit reasons for which the sanction was not given to the Committee at its meeting to be held on 28th May, 1965, in which the Finance Department's representative should come prepared with facts and figures.

(2) Page 4, para 8 read with page 97—Grant No. 14—GA-(19) (3)—(Excess Rs. 34,128)—

(3) Page 3, para 5 read with page 216—Grant No. 40—Miscellaneous—(Saving Rs. 31,43,871).

These two cases, the Department pointed out, were cases of misprint. The Accountant-General assured the Committee to look into the matter. The Committee decided that these cases should come up again before the Committee when accounts for the year 1959-60 are under examination, if the contention of the Department is not accepted by the Audit.

FINANCE DEPARTMENT

(1) Page 3, para 5, read with page 229—Grant No. 47—Loans and Advances bearing interest—(Saving Rs. 4,00,40,693)—(i) It was urged by the Finance Department that the Finance Department framed estimates on the basis of information furnished by the spending Departments. The amounts approved for final payment are communicated by the Finance Department to the Departments concerned. Only in the case of Autonomous Bodies, where heavy payments are involved, the release of funds is controlled by the Finance Department. Several releases are made on the recommendations of the Administrative Departments. Therefore, the Departments concerned and the Autonomous Bodies should explain the reasons for saving in respect of loans and advances demanded by them.

(ii) Reasons for the saving of Rs. 1,36,863 under Sub-head "D—Advances to Cultivators" were explained by the Revenue Department at the meeting held on 25th September, 1964. The saving of Rs. 9,45,125 under sub-head "Loans to Government Servants" was also explained by the Finance Department at the

meeting held on 24th November, 1964. The remaining saving remained to be explained.

(iii) A sum of Rs. 12,49,125 was saved under sub-head "A—Loans to Municipalities". The original grant under this sub-head was Rs. 32,00,000 but a sum of Rs. 19,04,000 was surrendered. Mr. Mohsin Tirmizi, Deputy Secretary, Basic Democracies and Local Government Department stated that as explained in the working papers prepared by Basic Democracies and Local Government Department, Finance Department had provided this grant without any demand from the Local Government Department and, therefore, the obvious result was that there was an expenditure of only Rs. 6,825. Although the working papers had been made available to the Finance Department in advance, the representatives of the Finance Department could not present their case in this behalf. The Committee decided to take up this matter on Friday, the 28th May, 1965 and asked the Additional Finance Secretary to come prepared on that date with all the necessary information as to what had happened. At this stage the Accountant-General pointed out that actual expenditure was incurred under head "70—Capital Outlay" and what was required was an adjustment between the two heads which did not appear to have been done. The Committee decided to examine this matter also on 28th May, 1965.

(iv) A sum of Rs. 2,36,53,700 was saved under sub-head "E-25—Loans to Water and Power Development Authority". Mr. N.H. Jaffri Member (Finance) WAPDA stated that this saving was chiefly made up of saving on the under-noted projects.

	Rs. in lakhs
1. Tubewell project	33.55
2. Tarbela Dam Project	10.00
3. M. P. O.	10.00
4. West Pakistan High Tension Grid	57.75
5. Hyderabad Thermal Scheme	31.84
6. Secondary Transmission and Distribution Scheme	62.76
7. Sukkur Thermal Scheme	12.05
8. Chichoke Hydel	28.60
9. Jhelum-Chenab Link	2.50

and that this saving was partly counter-balanced by an excess of Rs. 12.52 lakhs on Shadiwal Hydel Scheme.

He further stated that the reasons for the aforesaid savings and excesses were mainly as under:—

1. *Tube-Well Project*—The provision made for adjustment of the cost of stores over from the Irrigation Department could not be utilized.
2. *Tarbela Dam Project*—Due to delay in the completion of various formalities such as appointment of Project Director and Consultants and organization of their Offices etc., no work on this project could be undertaken before the year 1959-60.
3. *M. P. O.*—Due to delay in the arrival of Consultants and completion of various formalities by them the anticipated expenditure of Rs. 10.00 lakhs could not be incurred in the year 1958-59.
4. *West Pakistan High Tension Grid*—Provision made in WAPDA Budget was not utilized because P.I.D.C. from whom this project was transferred were left with an unspent cash balance of Rs. 57.75 lakhs out of the releases that had been made by the Central Government to that Organization before the transfer of the Project to WAPDA. This unspent cash balance was transferred by PIDIC. to WAPDA directly.

5. *Hyderabad Thermal Scheme*—Provision made for meeting the cost of imported Boilers and Switchgears could not be utilized due to unexpected delay in the receipt of the said equipment.
6. *Secondary Transmission and Distribution Scheme*—Rs. 62.76 lakhs could not be utilized due to delay in the execution of D.L.F. Loan agreement. This agreement was signed on 29th June, 1959.
7. *Sukkur Thermal Scheme*—Provision made could not be utilized due to inordinate delay in the execution of aid agreement with Canada.
8. *Jhelum-Chenab Link*—Token provision of Rs. 2.5 lakhs made for this Project remained unutilized due to delay in completion of various formalities connected therewith.
9. *Chichoke Hydel Scheme*—This Project was transferred to WAPDA from 1st April, 1959 when it had practically reached a completion stage and a substantial part of equipment and stores, rendered surplus on the scheme required transfer and consequent credit to the scheme. The unanticipated credits had not been provided for in the budget, hence the saving.
10. *Shadiwal Hydel Scheme*—This Project was also transferred to WAPDA from 1st April, 1959 whereas the budget of WAPDA had been finalized in the end of March, 1959 without any provision having been made for expenditure on Shadiwal Scheme which amounted to Rs. 12.52 lakhs in the last 3 months of the year 1958-59.

He further explained that 1958-59 was the first year of the operation of the organization and keeping all the normal difficulties in view in such circumstances a very accurate estimate could not be made of the expenditure and proper control could not be exercised so that the entire amount could be spent.

The Accountant-General pointed out that in addition to the original grants a sum of Rs. 90 lakhs was asked for by way of supplementary grant. Further, another sum of Rs. 1,81,39,160 was obtained by way of reappropriation and, therefore, he was of the opinion that with more vigilance perhaps, there would not have been any necessity of asking for this reappropriation and these supplementary grants.

The Committee was of the opinion that there was no doubt that normally all the Departments were expected to live up to Committee's expectations of spending within the budgeted amount and to ask for supplementary grants and reappropriations only in cases where the demand for supplementary grant and reappropriation was fully justified and not to come up with a demand for these supplementary grants and reappropriation grants unless they were certain that they would spend the same, but in the case under consideration this was the first year of the operation of the Organisation when the staff was not adequate and when, as the Committee very well visualised, the whole thing was in a formative stage, the fact of the entire amount not having been spent was quite explained and therefore the Committee dropped the para to the extent of the saving of Rs. 2,36,53,700.

(v) No explanation was submitted to the Committee for the saving of Rs. 78,000 (concerning Board of Revenue) and Rs. 4,86,880 (concerning Agriculture Department). The Committee decided that the Finance Department (alongwith the Administrative Departments) should explain these savings in the meeting to be held on 28th May, 1965.

(2) Page 4, para 8, read with page 95—Grant No. 14—23—G.A.—C-12 (b)—Finance Department—(Excess Rs. 25,747)—The explanation was found satisfactory and the dropped.

(3) Pages 4-5, para. 8, read with pages—226-228—Grant No. 46—Advances not bearing interest—Advances Repayable—(Excess Rs. 8,54,757)—The Committee decided to take up this para on 28th May, 1965.

(4) Page 5, para. 9—*Excess over-charged Appropriation—Public Debt—(Discharged)—Excess Rs. 1,87,90,301—This grant related to the following heads:—*

- (i) Permanent Debt (Discharged).
- (ii) Floating Debt (Discharged).
- (iii) Loans from the Central Government.

Under the first Head there was a saving of Rs. 3,59,17,200 for the reason that the conversion of 3% Punjab Bond 1958 and 3% Sind Loan 1958 was not effected by the State Bank during the year. The Audit did not offer any comments in this matter. The Committee was of the view that obviously this conversion should have taken place but in fact this did not take place and, therefore, all that the Committee could do was to find out whose fault it was that this conversion did not take place. Considering this question to be more or less only academic, the Committee hoped that in future more care would be taken so that when loans were due for conversion in a particular year they were converted and they were not left over.

Under the Second Head there was an excess of Rs. 5,33,00,000 due to the reason that the "ways and means" position of payments could not be ascertained in advance. The Audit did not offer any comments in this matter also. The Committee was of the view that this defect was inherent in financing system of this country, and, perhaps, could not be avoided.

Under the third Head there was an excess of Rs. 14,07,501 in respect of the World Bank Loan for Agricultural Machinery Project for Thal. The excess in question resulted as larger debits than those expected were raised by the AGPR without prior intimation to the Provincial Government to enable them to make provision in the Budget. The Audit pointed out that necessary provision should have been made keeping in view the terms and conditions of the loans. The Committee was of the view that this expenditure was also unavoidable.

The para was dropped.

(5) Page 225—*Grant No. 45—Provincial Miscellaneous Investments (Authorised and Voted)—(i) The amount of capital invested by the Government of West Pakistan in various investments during the year 1958-59 and to the end of the year 1958-59 was as under:—*

S. No.	Name of Industries	Amount in-	Up-to-date
		vested during the year 1958-59	amount invested
		Rs.	Rs.
1	Provincial Road Transport Board ..	..	3,61,91,652
2	Small Scale Cottage Industries Corporation ..	..	10,10,000
3	Panjinad Sugar Mills Ltd., Khanpur ..	..	17,50,000
4	Charsada Sugar Mills Ltd., ..	..	8,00,000
5	Rural Credit Societies ..	8,00,000	15,00,000
6	Agricultural Bank of Pakistan ..	25,00,000	50,00,000
Total		33,00,000	4,62,51,652

The objection of the Accountant-General, West Pakistan was that the profits that these organisations were making were not available to the Audit. The

Finance Department was asked to furnish details of the profits earned separately by Government on investments in the said industries and to state whether it was advisable to continue these investments.

(ii) Details in respect of the investment in Road Transport was explained by the Chairman, R.T.C. at the meeting of the Committee held on 24th September, 1964.

(iii) The Committee decided to consider the details in respect of investments made in the industries mentioned at items 2—5 in the meeting to be held on 28th May, 1965 and desired that the officers concerned should be present in that meeting for oral examination.

The Committee considered the investment of Rs. 50 lakhs made by the Provincial Government in the Agricultural Development Bank towards the purchase of its shares. Mr. Zaidi, Chief Accountant of the Bank, who appeared before the Committee, stated that the Bank had issued to the West Pakistan Government, the share certificates for the subscription of Rs. 50 lakhs in two lots. He further stated that the Bank had initially incurred a loss of Rs. 29 lakhs which had by then been made up to the tune of Rs. 26 lakhs and the Bank was trying to make up the remaining loss in due course and after having made up that loss, the Bank might make profit and declare dividends in which case, the Government of West Pakistan would be paid its share of the profit. The Committee desired that the Accountant-General, West Pakistan should see and find out if the share certificates had been received by the Government of West Pakistan and look into the balance sheets for the various years to find out in a general way for the information of the Standing Committee on Public Accounts as to how this investment was made.

(6) Page 239—28—*Unfinalised cases item Nos. (i) and (ii)*—These cases were considered by the Committee at great length at its meeting held on 23rd November, 1964. The latest information was that the Government machinery had at last moved and that some recoveries had been effected and action for effecting the recovery of remaining dues was continuing. The Committee decided that the Accountant-General, West Pakistan should watch the result and, if necessary, bring up this matter before the next Standing Committee when it considers the accounts for the year 1959-60.

FOOD DEPARTMENT

The Food Department did not submit any working papers in respect of items appearing in the Appropriation Accounts for 1958-59 pertaining to the Food Department. The working papers in respect of their items were reported to be pending with the Accountant-General for audit comments. The Committee asked the Accountant-General to expedite his comments and decided to examine these items on 28th May, 1965.

(Please see item III supra).

(i) EDUCATION DEPARTMENT.

(ii) INDUSTRIES & COMMERCE DEPARTMENT.

(iii) HOME DEPARTMENT.

(iv) AGRICULTURE DEPARTMENT.

The Committee decided to consider the explanation of these four departments in respect of items pertaining to these Departments at its meeting to be held on 24th May, 1965.

III. The Committee then considered the explanation of the Food Department in respect of following irregularities pointed out in the Appropriation Accounts for the year 1957-58 which were partly considered by the Committee but more details were asked for.

(1) Page 39, para. 17 (c) (22) (i)—(Excess payment Rs. 3,64,814)—In this case the Register of Deposit of the Food Department showed excess refunds to

the extent of Rs. 3,64,814. Out of this amount, a sum of Rs. 1,62,839-75 has been located as having been misposted, mis-classified, and the fact has been verified by the Audit. The balance of Rs. 2 lakhs and odd has not yet been traced. The Director, Food Department, stated that he was continuing his efforts to trace this amount. The Accountant-General, West Pakistan pointed out that something more tangible than the promise to sift the late records was necessary. In the opinion of the Committee it was really a serious matter that accounts for the excess payment to the tune of Rs. 2 lakhs could not be traced; but it was also to be considered that the accounts relate to the year 1949 and much water has since flowed down the Indus: there has been integration; there have been so many other changes; there have been so many shiftings and, therefore, the records must be in a very bad shape. However, the Committee considered it necessary that an Officer should be put on the job to chase the late records and to bring the position up-to-date because it was not only the accounts of this year but the accounts of the next years, which would also have to be placed before the Public Accounts Committee, which would require to be straightened, and after all, this job had to be done at one time or the other, so why not make a beginning. The Director, Food Department, assured the Committee that he would initiate action on these lines and put an Officer on this job. The Committee decided that this matter should be brought before the next Public Accounts Committee when it considers the accounts for the year 1959-60.

(2) *Page 39, para. 17 (c) 122) (ii)—Excess payment of Rs. 46,733*—This amount is included in Rs. 3,64,814 mentioned in the previous item. This amount has since been located and settled. The para was, therefore, dropped.

(3) *Page 39, para. 17 (c) (23)—Non-recovery of penalty from contractors and suppliers*—The Department explained that the penalties have either been recovered or action for recovery was in hand. The Committee hoped that the remaining recoveries will be made by the Department under intimation to Audit and dropped the para.

(4) *Page 40, para. 17 (c)—Outstanding Recoveries*—(i) Item (i)—A sum of Rs. 13,80,028 was to be recovered. The Director, Food Department, informed the Committee that he had effected recovery to the tune of Rs. 9,30,646. The Committee decided that efforts should continue to realise the balance amounting to Rs. 4,50,000 and odd and apart from the recovery, the Department should also immediately consider the desirability of taking severe action against those who were responsible for this outstanding amount, which has resulted in complications, fix responsibility, and take severe disciplinary action against the Officers concerned under intimation to Audit and bring up the matter before the next Public Accounts Committee when it consider the accounts for the year 1959-60.

(ii) Item (ii)—A sum of Rs. 6,839 which was to be recovered, has since been recovered. The item was dropped.

(iii) Item (iii)—The item was dropped.

(iv) Item (iv)—It was stated that this matter was subjudiced and the case was in the stage of argument. The Committee decided that this matter might come up before the Public Accounts Committee, if necessary, while it examines the accounts for the year 1959-60.

(v) Item (v): (i)—Under this item there was the question of recovery of Rs. 5,99,500 on account of revenue. It has been waived off by Government as the crop was at that stage affected by stem borer. This item was dropped.

(vi) Item (v): (ii) A sum of Rs. 2,745 was to be realised, but on subsequent accounting, it appeared that the correct amount was Rs. 1,198-91 and not Rs. 2,745. The Committee desired that the recovery should be pressed. Subject to this observation the item was dropped.

(5) Page 41, para. 17 (c) (27)—*Shortage of Stores*—(i) Item No. (i)—Dropped.

(ii) Item No. (ii)—The Director, Food Department, under-took to locate the shortage to the extent of Rs. 26,579 as the record was available because it was shown at one time to the Audit. As regards the shortage worth Rs. 900, the Director, Food Department, stated that the officer responsible had been charge-sheeted and further action was awaited. The Committee decided that the Department should pursue the matter and bring up the result to the notice of next Public Accounts Committee when it considers the accounts for the year 1959-60.

(iii) Item No. (iii)—In this case shortage to the extent of 1934—29—9 maunds has been located. The Committee thought that this maundage might cover the value but desired that whatever might be the position, the matter should be pursued further, responsibility fixed for the loss, and the action taken against those who are responsible for the loss.

(iv) Item No. (iv)—This item was dropped.

(v) Item No. (v)—This related to sugar valuing Rs. 23,260. The matter has been reported to the Anti-Corruption Department who are taking further steps. The Committee decided that the matter be pursued.

(vi) Item No. (vi)—The Committee decided that the claim lodged with the Railways Department should be pursued.

(vii) Item No. (vii)—The Director, Food Department, stated that a sum of Rs. 805-66 had been recovered. The item was dropped.

(viii) Item No. (viii) and (ix)—The Committee decided that the departmental proceedings initiated in these cases should be continued.

(ix) Item No. (x)—This item was dropped subject to verification of factual position by the Audit.

6. Page 48, para. 17-V—*Scheme of State Trading*—The Director, Food Department, assured the Committee that he was making his personal efforts to have the accounts prepared and that the accounts will be prepared very soon. On this assurance, the para. was dropped.

IV. The Committee then adjourned to meet again on Monday, the 24th May, 1965 at 9.00 A.M.

LAHORE:

The 22nd May, 1965.

S. M. SOHAIL,

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD AT 9.00 A.M. ON 24TH MAY, 1965 IN THE
COMMITTEE ROOM OF THE ASSEMBLY BUILDING, LAHORE.

1. The following were present :—

- | | |
|--|-------------------------------------|
| (1) Mr. S. M. Sohail, M. P. A. | ... Chairman. |
| (2) Khan Ata Hussain Khan, M. P. A. | ... Member. |
| (3) Mr. Muhammad Akbar Khan, M.P.A. | ... Do. |
| (4) Sardar Ahmed Ali, M. P. A. | ... Do. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial
Assembly of West Pakistan | ... <i>Ex-officio</i>
Secretary. |
| (6) Mr. S. M., Nasim, C.S.P., Additional Finance
Secretary to Government of West Pakistan,
Finance Department | ... Expert Adviser |
| (7) Mr. Asif Rahim, C.S.P., Additional Finance
Secretary to Government of West Pakistan,
Finance Department | ... Expert Adviser |
| (8) Mr. S. M. A. Subzwari, P. A. and A.S., Accountant-
General, West Pakistan | ... By invitation. |
| (9) Mr. Niaz Ahmed, C.S.P., Secretary to Government of
West Pakistan, Home Department alongwith
officers of the attached Departments | ... Ditto. |
| (10) Mr. A. M. K. Mazari, S. K., C.S.P., Secretary to
Government of West Pakistan, Industries, Com-
merce and Mineral Resources Department along-
with officers of the attached Departments | ... Ditto. |
| (11) Dr. Akmal Hussain, Joint Secretary, Education
Department along-with other officers of the
attached Departments | ... Ditto. |
| (12) Khan Fazal-ur-Rahim Khan, T. Q. A., Joint
Secretary (Agriculture), Agriculture Department
alongwith officers of the attached Department | ... Ditto. |
| (13) Mr. Amir Ahmad Khan, S. K., Joint Secretary
(Forest), Agriculture Department | ... Ditto. |
| (14) Mr. S. R. Poonegar, C.S.P., Deputy Secretary,
Finance Department | ... Ditto. |

II. The Committee considered the explanation of the following Departments in respect of Audit objections and irregularities pointed out in the Appropriation Accounts for 1958-59 :—

HOME DEPARTMENT

(1) Page 4, para. 8, read with page 94—Grant No. 14—G.A.—C—Secretariat and Headquarter Estt.—12—Civil Secretariat—O—Tribal Affairs Department—(Excess Rs. 12,042)—Under this head there was a total excess of Rs. 12,042 which is made up of several items, each one of which is a very small item. The explanation furnished by the Home Secretary for each item was found satisfactory and the para. was dropped.

(2) Page 7, para. 12 (iii), read with page 16—Grant No. 17—Police Sub-Heads E1, E-2 and I—Surrender in absence of Saving—In this case out of the Grant of Rs. 17,35,650, a sum of Rs. 1,43,650 was surrendered by the Department, but thereafter the Department incurred an excess expenditure to the tune of Rs. 1,94,725. The Department was asked to explain as to why the amount was surrendered in excess of the saving. Home Secretary stated that the items related to the Deputy Commissioner, Dera Ghazi Khan and Kalat but explanation from

the Deputy Commissioner, Kalat had not been received and in fact the Deputy Commissioner, Kalat was not informed. The Committee was of the view that it could hardly wait for the information to go about the matter through the Department to the Deputy Commissioner, Kalat and the Deputy Commissioner to submit an explanation, and then the explanation to be processed and come up before the Committee. The Committee decided that the Deputy Commissioner, Kalat should appear before the Committee on the 28th May personally to give his own explanation regarding the item concerning him. The Committee directed that the intimation should be sent to be the Deputy Commissioner, Kalat by the Home Department, as also by the Secretary of the Committee.

(3) Page 3, para. 5, read with page 222—Grant No. 42—Civil Defence—(Saving Rs. 12,46,884)—Under this head there was a saving of Rs. 12,46,884 out of a total grant of Rs. 22,15,000. This amount was to be spent on Civil Defence Services. The Home Secretary and the Director, Civil Defence, explained that this was due to the fact that this amount was to be shared by the Central Government with the Provincial Government, and no decision could be taken as to what amount the Centre was to share. They further pointed out that these amounts were sanctioned in the year in question at a time when a situation had developed with India like the one as at the present moment, and, therefore, all this money was to be spent on Civil Defence but the situation subsequently eased and for that account possibly the decision regarding the contribution of Central Government was not considered necessary, as it was not considered necessary to spend the amount at all.

The explanation was found satisfactory and the para. was dropped.

(4) Page 42—45, para. 18(iv) (a) to (c)—Delay in the Disposal of Audit Notes and Inspection Reports—This item relates to the disposal of Inspection Reports and Audit Notes. Home Secretary stated that these Inspection Reports and Audit Notes have already been satisfactorily explained to the Audit and disposed of. The para. was dropped.

FINANCE DEPARTMENT—EDUCATION DEPARTMENT

(1) Page 5, para. 8, read with page 226—Grant No. 46—Advances not bearing interest—Advances Repayable—Sub-head "B—Special Advances—Advances to Students of Bahawalpur" (Saving Rs. 1,730)—This para. was considered by the Committee at its meeting held on 20th February, 1965 when the Education Department was asked to fix responsibility and take action against the officer responsible for not conveying the Finance Department advice to the then Director, Lahore, as a result of which the amount in question could neither be utilised nor surrendered. Joint Secretary (Education) stated that the officer responsible had been found out and action was proceeding against him. The Committee decided that the Audit should watch further action and, if necessary, bring this matter to the notice of the next Public Accounts Committee.

Subject to the above observations, the item was dropped.

EDUCATION DEPARTMENT

(1) Page 4, para. 8, read with page 93—Grant No. 14—G.A.—C—Secretariat and Headquarters Estt.—12-(i)—Civil Secretariat (g) Education Department—(Excess Rs. 14,924)—The explanation was found satisfactory and the para. was dropped.

(2) Page 37, Para. 17-II—Audit of Grants in Aid, item No. (ii)—In this case the certificate which was to be provided was not in proper form. The Accountant-General undertook to check up this form with the Department. The para. was dropped.

(3) Page 3, para. 5, read with page 215—Grant No. 40—Sub-head "Misc.—F-4—Grant to legal centres"—(Saving Rs. 18,000)—The explanation was found satisfactory and the item was dropped.

INDUSTRIES DEPARTMENT—EDUCATION DEPARTMENT— AGRICULTURE DEPARTMENT

Page 3, para. 5, Serial No. 14, read with page 141. Grant No. 27. Head "43—Industries"—(Saving Rs. 52,20,644)—This para. was last considered by the Committee at its meeting held on 20th February, 1965.

Industries Department was concerned with the surrender of Rs. 42,64,380 and further saving of Rs. 5,07,973 under Head "A—Industries—Other than A-3 (e)—Emerson Institute for the Blind". The original grant under this Head was Rs. 1,64,93,300 out of which a sum of Rs. 42,64,380 was surrendered and out of the final grant of Rs. 1,22,29,020, a sum of Rs. 1,17,21,047 was spent leaving a balance of Rs. 5,07,973 for which the explanation of the Department was confined to a bare statement that this figure was only 4% and was less than 10% and, therefore, it would not require any explanation. The Committee pointed out that on previous occasions the Committee had decided that once the Committee asked for an explanation the Department concerned had to explain and they could not take up the plea that as it was less than 10%, therefore, no explanation was necessary. Secretary, Industries agreed with the Committee and stated that the Department would submit explanation for this saving also. In the circumstances, the Committee decided that the Department should furnish the explanation to the Audit and if the Audit considered it necessary, the matter might be brought before the Committee in the next meeting.

As far the surrender of Rs. 42,64,380, Secretary, Industries explained and gave reasons for its surrender.

The Education Department was concerned with the saving of Rs. 12,346 under Head "A-3(e)—Emerson Institute for the Blind". The explanation of the Department for this saving was considered satisfactory.

INDUSTRIES DEPARTMENT—HOME DEPARTMENT

Page 35, item 11—*Loss due to rescission of a contract (Rs. 975)*—This item was last considered by the Committee at its meeting held on 23rd November, 1964. In that meeting the Committee found the Jail authorities responsible for not having supplied the drums as a result of which there was a loss of Rs. 9,775 and as no action, whatsoever had been taken by the Home Department against the Officers concerned which in Committee's opinion was very unfortunate, the Committee decided to refer to this matter in its report to the Assembly. In the said meeting the Committee had further decided that if, in the meantime, the Home Department could find out some data to show that the Jail authorities had supplied these drums in time, the Department might forward that material to the Secretary of the Public Accounts Committee. A letter from the Adviser and the Joint Secretary, Prisons, addressed to the Accountant-General wherein it was said that they had found out that the Jail authorities were not responsible was placed before the Committee. The Committee observed that instead of forwarding any data for the information of the Committee, the Home Department endorsed a copy of its letter to the Accountant-General stating that the Jail authorities were not responsible. The Committee considered this to be a very serious matter because the Committee had examined this question at length in its several meetings and now a Committee of Public servants sitting together could not be authorised to sit on the findings of the Public Accounts Committee and give decisions thereon contrary to the findings of the Public Accounts Committee because if this was permitted, all the findings of the Public Accounts Committee would be open to examination by subordinate officers at all levels and the result would be confusion and chaos. The Committee decided that the Audit should pursue this matter and watch the realization, if any, and draw the attention of the next Public Accounts Committee towards it whenever it was opportune.

INDUSTRIES DEPARTMENT

III. The Committee then considered the explanation of the Industries Department in respect of Grant relating to "Salt" during 1957-58 and 1958-59.

1957-58

(i) *Page 5, para. 5, read with pages 68—69 of the Appropriation Accounts 1957-58, Grant No. I—Salt (Saving Rs.7,50,495)*—(i) Under the Head "5—Salt" the original grant was Rs. 29,34,100 out of which a sum of Rs. 3,39,250 was surrendered and out of the modified grant of Rs. 25,94,850 a sum of Rs. 21,14,259 was spent resulting in the saving of Rs. 4,80,591. This saving was due to many reasons. A sum of Rs. 1,30,680 was saved due to non-supply of salt on account of the non-availability of empty wagons. The Committee considered this matter serious enough because this might have resulted in loss of revenue to Government and, what was more important, lead to salt famine in areas where there was short supply resulting in considerable hardship to the citizens. Secretary, Industries produced before the Committee several letters and telegrams which the Industries Department purported to have sent at the relevant time for the purpose of securing empty wagons. In the opinion of the Committee this was sufficient explanation only technically because the Department had written to the Railway Authorities for empty wagons and it was for the Railway Authorities to supply empty wagons but the Government would expect of the Department to do much more than merely writing letters and telegrams to the Railway Department for the supply of empty wagons. The Committee was, therefore, of the view that in this Department a lot of drive and initiative was necessary so that supplies were not only made available at the procuring end by mining but they were also sent to the consuming centres in time and for that purpose all efforts should be made to secure empty wagons. The Committee observed that one could easily visualize what a heavy quantity of salt was not booked when the saving under this head was to the tune of Rs. 1,30,680. The Committee impressed on the Officers concerned who were responsible for this job to be extra careful so that the distribution of salt did not suffer for want of shortage of wagons.

(ii) Under the Head "5—A—Capital Outlay on Salt Works" there was an expenditure of Rs. 69,346 which was not provided for in the budget and, therefore, it was an unauthorised expenditure. The Committee pointed out that the proper thing to do was to make a provision for this in the budget and in provision had not been made at the initial stage it should have been done at the stage of the compilation of the supplementary budget but at both these stages no provision was made. The Committee was of the view that this was a serious irregularity and the attention of the Finance Department was drawn toward it for future guidance. The Committee decided that the Finance Department should find out as to who was responsible for this serious omission and take necessary action under intimation to Audit and bring the matter before the next Committee when the accounts for the year 1959-60 were considered.

(2) *Page 7, para. 9 of Appropriation Accounts for 1957-58—(Excess of Rs. 1,40,143 over charged Appropriation)*—In this case a sum of Rs. 1,40,143 which was required for payment of interest and was chargeable to the charged section of accounts was provided for in the voted section in the budget resulting in excess under charged section. This was a mistake of budgeting and the Committee drew the attention of the Finance Department towards it for future guidance. The para. was dropped.

(3) *Page 68—Note 3 of Appropriation Accounts for 1957-58—List of Remissions*—It was represented on behalf of the Industries Department that the list of remissions was nil but it was not sent to Audit. The item was dropped.

1958-59

(4) Page 3, para. 5, read with page 55—Grant No. 1—Salt—(Saving Rs. 8,05,834)—Appropriation Accounts for the year 1958-59—(i) Under Head “5—Salt” a sum of Rs. 38,14,200 was granted out of which a sum of Rs. 4,25,200 was surrendered and out of the modified grant of Rs. 33,89,000 a sum of Rs. 30,08,366 was spent resulting in a saving of Rs. 3,80,634. Many reasons were assigned for this saving one of which was that in this year again the saving of Rs. 1,24,932 was on account of less clearance of salt due to short supply of empty wagons. The Committee made the same observations in this case as were for the saving during 1957-58.

(ii) Under the Head “5-A—Capital Outlay on Salt” a sum of Rs. 2,79,000 was granted. Out of this a sum of Rs. 27,500 was surrendered leaving the modified grant to Rs. 2,51,500. A sum of Rs. 47,847 only was spent and there was a saving of Rs. 2,31,153.

The reason for the saving of Rs. 50,519 was the non-execution of work for want of technical sanction from the competent authorities. The Committee found this explanation rather vague as the Department could not produce any document to show that this non-execution of work was for want of technical sanction from the competent authorities. A letter dated 12th November, 1959 addressed to them by the Chief Engineer, B&R, stating, that the Chief Engineer, B&R, had intimated certain engineers to take over charge of certain buildings at Karachi, Kala Bagh, etc., was produced but this did not show at all that saving to the tune of Rs. 50,519 was due to non-execution of work for want of technical sanction from the competent authorities. Thus the explanation given was considered by the Committee to be unsatisfactory.

There was another saving of Rs. 65,390 necessitated by non-receipt of sanction for the purchase of plant and machinery, which according to the Department, was due to the fact that proper debit was not raised for it year after year till such time as this debit was clear. The Accountant-General pointed out that there was no such provision in the accounts for the year 1957-58. The Committee came to the conclusion that the explanation which was being given for this saving was not correct. The Officer concerned, who had made this statement, tendered apologies and stated that a provision was made only during 1958-59.

(5) Page 5, para. 9, read with page 55 of Appropriation Accounts for 1958-59—Excess over charged Appropriation—(Excess of Rs. 1,41,415)—The para. was dropped subject to the same remarks as in the case of excess expenditure during 1957-58.

(6) Page 55, Note 3—List of Remissions and Abandonment of Revenue—The explanation was considered satisfactory and the item was dropped.

AGRICULTURE DEPARTMENT

IV. (1) The Committee then considered the explanation of the Agriculture Department in respect of saving of Rs. 8,47,597 under grant No. 8—Capital Outlay on Forest shown at page 3, para. 5, read with page 65 of the Appropriation Accounts for 1958-59.

(2) The original grant under this Head was Rs. 13,37,460 out of which a sum of Rs. 1,93,860 was surrendered. Out of the surrendered amount, a sum of Rs. 1,48,000 was surrendered because the P.I.D.C. could not arrange plant for seasoning kiln to be installed at Changa Manga; and the remaining sum of Rs. 45,800 was surrendered due to late starting of schemes namely Coastal Zone Afforestation Division and lac cultivation due to various technical and administrative difficulties. This explanation left the Committee absolutely cold. No document, whatsoever was produced in support of the proposition that the Department had asked the P.I.D.C. to arrange a plant for seasoning kiln well in time and the P.I.D.C.

failed to do so. This being so, the inference was that the Department had not approached the P.I.D.C. for arranging the plant well in time. As for the saving of Rs. 45,800 again, it was admitted by the Department that they started the implementation of the schemes late and that there were technical and administrative difficulties. It was not explained at all as to what were these technical and administrative difficulties. It was then contended that the sanction of the Central Government, so far as this Coastal Zone Afforestation Division was concerned, was received on the 27th of October, 1958. The Committee accepted it only a part of the justification for it involved the loss of a few months only which failing was a chronic failing, as the Committee had noticed that in almost all cases, sanctions were almost invariably received very late or sufficiently late. In any view of the matter the Committee was not satisfied at all with the explanation for the saving. The Committee observed that as this Department was a nation-building Department and the amount spent by this Department goes towards furthering nation-building activities in a very important sphere, the Department should be very careful in preparing the schemes and in implementing them and the amount allocated to the Department should be spent to the pie and utilised for the useful purpose for which it is allocated. With these remarks this item was dropped.

(3) Out of the modified grant of Rs. 11,43,600, a sum of Rs. 4,89,903 is shown in the Accounts as actual expenditure resulting in the saving of Rs. 6,53,697. According to the Department the actual expenditure was Rs. 6,50,053 as a sum of Rs. 1,60,150 spent under this head was debited to head "10—Forest". Thus there was actual saving of Rs. 4,93,347. This included a sum of Rs. 4,36,365 which was meant for the purchase of launches for the coastal area at Karachi. According to the Department the administrative sanction for this was received in June or July and then there was correspondence with the P.I.D.C. for a specification of the launches to be purchased or built and then there was negotiation with the Central Government for providing foreign exchange for the purpose of purchasing in the World market and then ultimately there was the question of building it locally at Karachi by the P.I.D.C. The net result, however, of all this was that the launches were not purchased and made available to the Department during the year. The Committee visualised the loss to this nation-building Department on account of the non-supply of these launches and observed that it was one of those sad cases where the files were tossed on from one Department to another Department and then on to another Department in fruitless pursuits. The Committee was informed that ultimately that launches were built in Karachi and by the P.I.D.C. The Committee again observed that if with a little vision the Officers concerned could have been able to see it earlier then the launches could have been made available to the Department during the year and there would have been no occasion to surrender this amount. The Committee further observed that the explanation given by the Department was not full and complete and was not documented by the documents and the Committee had reluctantly to accept oral explanation. With these remarks the item was dropped.

V. The Committee then considered the explanation of the Agriculture Department in respect of following savings and irregularities pointed out in the Appropriation Accounts for 1957-58.

(1) *Page 5, para. 5, Grant No. 22—Agriculture, (Saving Rs. 3,63,14,715)—* In this case the original grant was Rs. 6,77,55,810 which was modified to Rs. 4,77,34,940. The modification was due to the fact that funds were not made available by the Central Government to the Provincial Government. When the Committee considered the question at the last meeting it appeared that this modification might have been necessitated on account of either because the funds were not available or because the schemes put up before the Central Government were such that they could not have been sanctioned for a sum of Rs. 6,77,55,810 and, therefore, the total amount was reduced. Khan Fazal-ur-Rahim Khan, Joint Secretary Agriculture, very strenuously tried to explain that the scheme submitted by the Department was not defective and that the modification was due

to some other reason. He produced a letter written by the then Finance Secretary, Government of West Pakistan, to the Financial Adviser, Government of Pakistan. The Committee gave the utmost care to the examination of this question and found that the facts brought before the Committee could not clear as to what was the reason for this modification and reduction of the amount. Many hypothetical reasons were those suggested during discussions. But in the absence of any documents which could clear the issue it was difficult to find out as to what was the reason. Even so, the point remained that the Provincial Government in this nation-building Department lost a sum of two crores which could have been utilised for the betterment of the Province. The Department, with such assistance as was available to it from the Finance, was also not able to state as to when this scheme was submitted and on what date the scheme was sanctioned.

The Committee expected of the Agriculture Department not only a normal day to day activity in the disposal of files and problems but vision, initiative and drive so that Agriculture, which was the main industry of the Province should improve and fulfil the great task of feeding not only this Province but the other wing of the country also. The Committee stressed on the entire administration of the Department the necessity of keeping this in mind so that when they apply themselves to their day-to-day activities they may, at all times live up to the necessity of improving and increasing the productivity in all spheres of cultivation and gardening in the Province.

The Committee at this stage observed that as a rule in all cases and particularly in cases where large amounts are involved either by way of saving or excess expenditure or in spheres of misappropriation, embezzlement, etc., the Committee expected the Departments to come up with full and complete details of the case in all its aspects as without the necessary data no conclusions could be arrived at and nothing useful could be done. It was of the utmost importance that this aspect of the question was stressed and attention of all the Heads of Departments was drawn to it so that when they appeared before the Committee they should be fully prepared and bring along all evidence and data that has got a bearing on the question. The Committee decided that a circular to this effect should be issued by the Finance Department.

There was a saving of Rs. 5,79,000 on account of the salary of the staff which could not be recruited. It was stated at the previous meeting that this was because the Public Service Commission could not find out proper personnel for recruitment. From the explanation now submitted it appeared that the matter had not gone up to the Public Service Commission at all and the staff was to be recruited by the Department itself. This was a clear mis-statement. The Joint Secretary (Agriculture) expressed his apology for this mis-statement and the Committee accepted it but the Committee made it very clear that the Committee looked upon mis-statements as a very serious lapse and the Committee would continue to recommend and initiate very serious action against those who were responsible for feeding the Committee with wrong statements and incorrect factual data. It was pointed out that at that time Dr. A. M. Shaikh was the Director of Agriculture and he was responsible for not filling up of these posts. The Committee considered it a very serious matter that as many as 280 non-gazetted posts of Agricultural Assistants and Field Assistants could not be filled up although administrative approval was received from the Finance Department in June, 1957. As the Committee wanted to have more details which Mr. Shaikh alone was in a position to give, the Committee decided to examine Mr. Shaikh personally as the matter was very important and related to the appointment of such a large number of personnel in this field of nation-building activity and as a result of non-recruitment of which staff, the Committee could safely assume, work in the department must have been very much retarded. The Joint

Secretary, Agriculture, was directed to ask Mr. Shaikh to appear before the Committee on 28th May, 1965 and to ensure that the Officer appeared before the Committee on the said date.

A saving of Rs. 8,40,500 was effected in the purchase of seeds. This item was made up principally on account of the procurement of 1,50,000 maunds of wheat the price of which quantity, at the rate of Rs. 12 per maund, come to Rs. 18,00,000. It was stated that the Food Department, supplied only 1,09,944 maunds of wheat for seeds. The Committee wanted to know whether the remaining quantity of wheat which was not purchased was on account of the fact that the wheat was never indented for by the Department from the Food Department or, conversely, it was asked for but was not released. Joint Secretary (Agriculture), could not give any information as he did not have the records before him. The Committee again emphasized the necessity of carefulness in all nation-building departments and laid particular stress on this item because it related to the procurement of seeds which had great importance in the Department of Agriculture. If good seeds were not made available the yield was bound to suffer with all the adverse effects on the country as a whole. With the above observations, the item was dropped.

(2) *Page 5, para. 5, Grant No. 23—Capital Outlay on the Schemes of Agricultural Improvement and Research—Saving Rs. 66,58,410.*—Under this item there was a saving of Rs. 66,68,410, which according to the Agriculture Department was due to non-receipt of debit in respect of purchase of tractors from the Supply Department. The Committee at its last meeting had asked the Audit Department to verify it. The Committee was informed that as the papers were not available this could not be done. The Committee decided that the papers should be made available to the Audit Department who should verify it and, if necessary, bring up the matter before the next Committee.

(3) *Page No. 5, para. No. 5, read with 249, Grant No. 46—Loans and Advances (E—10 and E—22)—Saving Rs. 92,583, and Rs. 68,750, respectively.*—Under Sub-head "E—22" there was a grant of Rs. 25,00,000, for digging open surface wells. Out of this huge amount for this very useful nation building activity a sum of Rs. 20,62,500, was surrendered and out of the remaining Rs. 4,37,500, the administrative sanction was received for the expenditure of Rs. 4,00,000, only. Out of this a sum of Rs. 3,68,750, was spent and remaining Rs. 31,250, remained unspent. Neither the Joint Secretary, Agriculture nor the Additional Secretary, Finance could explain as to why administrative sanction was given for only Rs. 4,00,000, when there was a grant of Rs. 25,00,000, and also why sanction was given as late as January, 1958. The working papers also did not contain this information. It was stated that the schemes might have been prepared late or somebody might have slept over it, or there might have been some other factors. The Committee considered it a serious matter and recommended that an enquiry should be made as to who was responsible for this, the responsibility should be fixed and action taken against the Officer responsible. The Committee directed that the Audit Department should keep a watch and report to the next Committee as to how things stood in this direction.

(4) *Page 59 to 61 para. 18 (IV) (A to E) Delay in the disposal of Audit Notes.*—The Accountant-General, stated that 37 cases of the disposal of Audit Notes were pending at one time out of which 10 were still outstanding, but according to the Department almost all the pending audit notes had been disposed of. The explanation of "almost all" left the Committee absolutely cold and the Committee was unable to fix up as to how many cases were pending. Joint Secretary (Agriculture) then stated that only 2 such notes were pending. The Committee asked him to clear all the pending notes and dropped the para. with the observation that the Accountant-General might bring this matter to the notice of next Public Accounts Committee if the notes remained pending.

(5) Page 33—36, para. 17 (c)—*Irregularities in Agriculture Department—*
 (i) item No. (i)—*Shortage of Seed—Rs. 26,000:—*

In this case there was a reported shortage of 2,144 mds. But in the working paper submitted by the Department it was contended that the shortage was of 87 mds. The Committee decided that this matter be taken up with the Audit and after verification by the Department it should again come up before the next Committee.

(ii) Item No. (ii)—*Short recovery Rs. 3,278:—*

The Department has taken up the matter with the Deputy Director, Agriculture, Hyderabad whose reply was still awaited. The records which were reported to be with the Director of Anti-Corruption were received by the Department only 2 months back.

The Committee could not proceed with the examination of this item and items Nos. (3) to (12) as explanations contained in the working papers were incomplete. The Committee decided that all the remaining items should come up before the next Committee with fuller explanations after the full data was collected by the Department.

(iii) Item No. (13)—*Sale on Credit Rs. 99,380:—*

Under this item a sum of Rs. 99,380, was outstanding on account of sale of wheat seed on credit. The Committee was informed that a sum of Rs. 62,417, has already been recovered leaving a balance of Rs. 36,963. Even the recovery has not yet been verified by the Audit. Joint Secretary (Agriculture) stated that the Department was making efforts to affect the recovery in different ways including filing of suits.

Another question in this case was of fixing of responsibility on those who were responsible for this sale on credit which was admittedly irregular. In the working papers no names were mentioned but—the Joint Secretary Agriculture stated that the Officers responsible were Ahmed Jan, Muhammad Hussain, Nazir Hussain and Ghulam Ghaus who have now retired. In view of the fact that officers have retired and further fact that the outstanding balance was being realised by the Department, the Committee did not consider it necessary to proceed further against the retired officers. But the Committee laid stress on the fact that the outstanding balance must be realised and if anybody who was entrusted with this job of realisation was found show in moving, the Audit Department would please immediately draw the attention of the next Committee.

VI. The Committee then took up consideration of the explanations of the Agricultural Department in respect of remaining savings, excesses and irregularities pertaining to that Department appearing in the Appropriation Accounts for the year 1958-59. The Committee found that the working papers did not contain full and detailed explanations and the statements contained therein were not properly documented. The Committee, therefore, decided that the Agricultural Department should prepare revised working papers in respect of these items which should be routed through Audit so that the next Standing Committee on Public Accounts might examine them alongwith the examinations of the Appropriation Accounts for the year 1959-60.

VII. The Committee then adjourned to meet again at 1-00 p.m. to consider the items relating to Communications and Works Department.

S. M. SOHAIL,

CHAIRMAN,

LAHORE:

The 24th May, 1965.

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON 24-5-1965, AT 1-00 P. M. IN THE
COMMITTEE ROOM OF THE ASSEMBLY BUILDING, LAHORE.**

I. The following were present:—

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| (1) Mr. S. M. Sohail, M.P.A. | ... | ... | Chairman. |
| (2) Khan Ata Hussain Khan, M.P.A. | ... | ... | Member. |
| (3) Mr. Muhammad Akbar Khan, M.P.A. | ... | ... | Member. |
| (4) Sardar Ahmed Ali, M.P.A. | ... | ... | Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan. | ... | ... | <i>ex-officio</i> Secretary. |
| (6) (i) Mr. S. M. Nasim, C.S.P., Additional Finance Secretary. | | | Expert Adviser. |
| (ii) Mr. Asif Rahim, C.S.P., Additional Finance Secretary. | | | Expert Adviser. |
| (7) Mr. N. A. Chaudhri, P.A. and A.S. Director, Audit and Accounts (Works), West Pakistan, Lahore. | ... | ... | By Invitation. |
| (8) Mr. Rafiq Inayat, C.S.P., Secretary to Government of West Pakistan, Communications and Works Department. | ... | ... | By invitation. |

II. The Committee took up consideration of the explanation of the Communications and Works Department in respect of the Excess of Rs. 1,98,79,428 under Grant No. 29—Civil Works (voted) appearing at page 7, para. 8 of the Appropriation Accounts for the year 1957-58 which was originally considered by the Committee at its meeting held on 28th and 29th July, 1964, when full details were asked for.

The Director, Audit and Accounts (Works) stated that the revised working papers containing revised explanations and the region-wise break up of the excess expenditure have not been furnished to him by the Communications and Works Department. Therefore, the Director, Audit and Accounts (Works) was unable to comment on the revised explanations of the Department.

In view of the above position the consideration of the items relating to Communications and Works Department was deferred to 28th May, 1965.

On the suggestion of the Secretary, Communication and Works Department the Committee agreed that Secretary Communications and Works Department and Director, Audit and Accounts (Works) might, in the meantime, sit together and discuss the various items before the matter is again considered by the Committee.

III. The Committee then adjourned to meet again on Thursday, the 27th May, 1965, at 9-00 A. M.

S. M. SOHAIL,

LAHORE:

CHAIRMAN,

The 24th May, 1965.

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON THURSDAY THE 27TH MAY, 1965
AT 9-00 A. M. IN THE COMMITTEE ROOM OF THE ASSEMBLY
BUILDING, LAHORE.**

I. The following were present:—

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| (1) Mr. S. M. Sohail, M.P.A. | ... | Chairman. |
| (2) Sardar Ahmed Ali, M.P.A. | ... | Member. |
| (3) Khan Ata Hussain Khan, M.P.A. | ... | Member. |
| (4) Mr. Muhammad Akbar Khan, M.P.A. | ... | Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan. | ... | Secretary. |
| (6) Mr. S. M. Nasim, C.S.P., and Mr. Asif Rahim, C.S.P., Additional Secretary, Finance Department. | ... | Expert Adviser. |
| (7) Mr. N. A. Chaudhri, P. A. and A. S. Director, Audit and Accounts (Works) West Pakistan. | By invitation. | |
| (8) Mr. A. R. Kazi, Secretary, Irrigation and Power Department alongwith Regional Heads. | | Ditto |
| (9) Mr. M. H. Soofi, C.S.P., Member Board of Revenue, West Pakistan alongwith Mr. Saeed K. Haq, Secretary (Land Utilization), Board of Revenue, West Pakistan. | ... | Ditto |
| (10) Mr. N. H. Jafri, Member (Finance) WAPDA. | | Ditto |
| (11) Mr. Aslam Awais, Member (Finance) Agricultural Development Corporation alongwith Mr. Ahmed Hasan, Chief Engineer and Mr. M. U. Arain Deputy Chief Engineer, Ghulam Muhammad Barrage Project. | | Ditto |
| (12) Mr. F. M. Aziz, P. A. and A. S. Comptroller Southern Area, West Pakistan. | | Ditto |
| (13) Mr. Aslam Bajwa, C.S.P., Additional Secretary, Agricultural Department. | | Ditto |

II. The Committee in the first instance considered further explanation of the Irrigation and Power Department in respect of the following two Audit Objection and irregularity pointed out in the Appropriation Accounts for 1957-58 which were considered by the Committee at its meeting held on 18th February 1965 when further report were asked for from the Departments:—

(1) *Page 12, para. 17 (a) (i)—1957-58*—In this case disciplinary action were to be taken against several officers in the various regions, Secretary, Irrigation and Power Department stated that actions have been taken in several cases and further actions have been intimated and are pending finalization. He further assured that this would receive his personal attention and the proceedings started would be pursued and disciplinary action that would be necessary would be taken unsparingly on the merits of each case. On this assurance the para was dropped.

(2) *Page 28, para. 17 (a) (22) (2)—1957-58*—In this case there was the question of recovery in respect of embezzlement of stores and of taking disciplinary action against officers concerned. Secretary, Irrigation and Power

Department stated that as far as the question of disciplinary action was concerned, the Department had taken action and was also pursuing action in some cases. This part of the question was, therefore, dropped on the assurance of Secretary, Irrigation and Power Department that disciplinary action now taken would be pursued diligently and finalised on the merits of each case.

As for the recoveries the Committee was informed that as stay orders had been obtained in two cases, further recoveries could not be effected. The Committee decided that the Audit Department should keep a watch over the recoveries and, if necessary, might bring the matter before the next Committee, while the Committee considers the accounts of 1959-60.

III. The Committee then considered the explanation in respect of the following Audit objections and Irregularities appearing in the Appropriation Accounts for 1958-59 which were partly considered by the Committee at its meeting held on 18th February 1965, but further details were asked for:—

(1) *Page 24 para. 17 (a) (18)—Shortage of Stores:—*

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| (i) <i>Item No. 5</i> | } These items were dropped. |
| (ii) <i>Item No. 7.</i> | |

(2) *Page 30, para. 17 (a) (27).—*This is a case where Rs. 20 lakhs in foreign exchange were spent on faulty spares but only junk was received when the consignment was opened. Member (Finance) WAPDA informed the Committee that the matter was under enquiry and that some officers were examined by a Commission, and the matter was being taken up in Washington Court on or about the 24th of May, and the results were awaited.

The Committee decided that this matter should be placed before the next Committee when the Committee considers the Accounts for the year 1959-60.

(3) *Page 27, para. 17 (a) (20)—Serial No. 2 Undue Financial aid to the Contractor.—*In this case the Audit Department reported:—

"A contractor started a work estimated to cost Rs. 1,29,375 on 1st January, 1957, but could not complete it in time and subsequently extension was granted to him up to 31st May, 1958 by the competent authority with orders to enforce the penalty at 10 per cent of the estimated cost. The contractor failed to complete the work during the extended period. A sum of Rs. 12,938 became recoverable from the contractor against which an amount of Rs. 4,565 was recovered and even that amount was subsequently refunded to the contractor by the Divisional Officer with the concurrence of the Superintending Engineer and instead a token fine of Rs. 100 was imposed on the contractor in contravention of the earlier orders of the higher authority. The action of the Executive Engineer and the Superintending Engineer was irregular. The irregularity was pointed out in December, 1958, but neither any recovery has been effected from the contractor nor any disciplinary action taken against the officials responsible for the irregularity".

The Irrigation and Power Department very strenuously tried to maintain before the Committee that in fact no order levying the penalty was passed by any officer and that the amount was originally withheld as a normal deduction from the bill of the contractor and ultimately when the final bill was prepared the penalty of Rs. 100 was levied and the rest of the amount was refunded. But the Department could not produce any scrap of paper to show how this amount was (a) deducted from the bill of the contractor as a normal procedure or (b) realised as a penalty. The Committee was of the view that as the documents were in the possession of the Department, the responsibility lies on the Department to produce

them to rebut the Audit Objections which was brought to the notice of the Department in December, 1958. Director, Audit and Accounts placed before the Committee letter No. SAC/D-39-(a) 4420, dated 14th October 1961, from Mr. S. M. Shaikh, Executive Engineer, Begari Canal Division to the Director, Audit and Account, where in it was clearly stated that one Mr. U. W. Qureshi, who was then Superintending Engineer, Northern Sind Circle had passed the order in question and the amount was realised towards penalty. This reply was given by the Executive Engineer in reply to a query from the Director, Audit and Accounts to explain the nature of this realisation, namely, whether it was a deduction or a penalty. The Irrigation and Power Department could not satisfactorily explain the position of the Department although the Committee gave an amount of time and attention to this item which was quite disproportionate to the importance of the item. At the end the Secretary, Irrigation and Power Department gave an assurance that he would look into this matter in consultation with the Director, Audit and Accounts and if the document showed that the amount was originally deducted as penalty and was subsequently revised he would take disciplinary action against the officer concerned. On this assurance the Committee dropped the para subject to the condition that in case the Audit was not satisfied with the action taken by the Department, the matter might be brought before the next Committee when it considers the accounts for the year 1959-60.

(4) Page 27, para. 17 (a) (20)—*Serial No. 5.*—This is an item relating to a sum of Rs. 3,98,000 which was advanced in connection with lining of Sadiqabad feeder in the State of Bahawalpur. This scheme was suddenly abandoned for certain reasons and a large amount remained outstanding. The Audit remarked that a sum of Rs. 39,775 was outstanding, against those to whom it was advanced. The Irrigation and Power Department informed the Committee that a sum of Rs. 19,425 has been recovered and that action for the recovery of Rs. 20,349 was continuing. This recovery so far effected has partly been verified by the Audit. The Committee dropped the para subject to the recovery of the balance from those from whom it was due and verification of the recovery by the Audit.

(5) Page 28, para. 17 (a) (21)—*Serial No. 5, Wasteful Expenditure.*—In this case a locomotive driver, a fireman and a guard were paid a total salary of Rs. 15,176 even after the loco was taken away and the salaries continued to be drawn for their duties with the loco. Secretary, Irrigation and Power Department explained that these people were on the regular employment list and they were employed elsewhere and that were doing useful work. The Department, however, accepted that the drawing of their bills for active duty with the loco which was no more there was certainly an irregularity. Considering the fact that these employees were the regular employees and they were doing useful job, the item was dropped.

(6) Page 29, para. 17 (a) (24)—*Unauthorised facilities to officers.*—The explanation was found satisfactory and the para was dropped.

(7) Page 30, para. 17 (a) (29)—*Infructuous expenditure.*—This case was considered by the Committee in detail at its meeting held on 19th February 1965 when the Committee considered it necessary to examine the officers concerned who were responsible for placing this order to find out on which firm order was placed and whether there was any relation between the officers and the firm of a nature which was objectionable and for this purpose the Committee desired to examine for themselves the records of this case.

The Secretary, Irrigation and Power Department, stated that he had brought some of the files for examination by the Committee. As the Committee could not go through all those files in this meeting and take a decision, the Committee decided that files should be examined by the Director, Audit and Accounts (Works) and the Irrigation and Power Department should place the matter before the next Committee when it considers the accounts for the year 1959-60.

The Committee observed that it would be advisable for the purchasing department, while placing orders for such machines to strictly adhere to the requirement of the indenting department which was supposed to use machines because after all the department which was to use the machines knew something about the machines, knew its own requirements and its responsibility for the maintenance of the machines while they were being run. The Department could, therefore, be held responsible if they indented for a particular machine if after the machine was supplied to them it did not work.

It was pointed out to the Committee that in the present case the Government were in some difficulty regarding foreign exchange and, therefore, they had to buy a particular brand of tractors. But the Committee considered it of vital importance that the requirement of the indenting Department should invariably be considered and, as far as possible, the machine that is required should be supplied.

(8) Page 31, para. 17 (a) (34)—*Discrepancy in Store Accounts*.—The para was dropped.

IV. (1) The Committee then took up consideration of the Financial Review of the Lower Sind Barrage appearing at pages 38–40 of the Appropriation Accounts for the year 1958–59 which was in the first instance considered by the Committee at its meetings held on 2nd October and 12th to 14th November, 1963.

(2) The question that had been pointed out in the Audit Report was that the forecast of the revenue receipts which was given out as Rs. 2,33,17,000 as a result of the working of the Barrage was not substantiated by the Revenue Department by supplying the data to the Audit for the years in question, namely, 1955–56 to 1959–60. The Committee had called upon the Revenue Department to collect the figures of revenue receipts for the two districts of Thatta and Hyderabad which were benefited by the Ghulam Muhammad Barrage Scheme and to supply them to the Audit so that they could check and ascertain if the forecast made was justified and if not to what extent it was not justified.

(3) The data supplied by the Revenue Department reveals that the net increase in revenue receipts occasioned by the Ghulam Muhammad Barrage was Rs. 1,07,49,903, for the relevant years. According to the Department the excess of Rs. 73 lakhs and odd was due to a mistake at the stage of preparation of the third revised financial forecast which was begun in 1958–59 and completed in 1959–60. The position of revenue levied in the Region in question in the year 1956–57 and 1958–59 was that a sum of Rs. 6.25 as average was realised per acre as composite revenue and Abiana charged. This was increased in the year 1958–59 to a sum of Rs. 10.50 per acre as an average, the break-up being that land revenue was charged at an average rate of Rs. 2.70 per acre and Abiana was charged at the rate of Rs. 7.80 per acre.

(4) The mistake that was committed in the first place was that while preparing the 3rd revised financial forecast instead of collecting actual revenue receipts for the year 1956–57 and 1958–59 the Department based calculations on the average rate prevailing in 1959–60, i.e., Rs. 10.50 per acre. This resulted in inflating the forecast to the tune of Rs. 73,78,000 in excess of what it could have otherwise been, if the actuals for the year 1956–57 and 1958–59 and the rates of revenue and Abiana at the average rate of Rs. 10.50 for the year 1959–60 would have been considered. It is pointed out that a sum of Rs. one crore and seven lakhs of rupees has been realised. Besides this amount they have to collect Rs. 46,50,000 from the KDA which, if collected, would very nearly complete the remaining figure of one crore and sixty lakhs which is the balance of the total forecast amounting to Rs. 2,33,17,000 minus Rs. 73 lakhs to be discounted for the mistake pointed above.

(5) The actual expenditure incurred on the Ghulam Muhammad Barrage Scheme up to the year 1959-60 is said to be Rs. 24,92,39,030. After that, there is a revised estimate of a further sum of Rs. 21 crore thus inflating the total capital expenditure to Rs. 45 crore. Interest payable on the sum of Rs. 24 crore at the rate of 4% comes to Rs. 96 lakhs per year and similarly the interest payable for the remaining Rs. 21 crores at the rate of 4% would come to Rs. 84 lakhs.

(6) Assuming that the amount outstanding against the K.D.A. is collected, the receipts from this scheme will roughly amount to Rs. 31 lakhs annually as at present against the interest of Rs. 96 lakhs annually.

(7) *Prima facie*, looking at it from the point of view of a scheme calculated to increase the revenue of the State it would appear to have completely failed to justify the expectations. Mr. Soofi, Member, Board of Revenue, pointed out that the revenue earning capacity of the scheme should not be assessed at present because it was likely to increase in the future. It was further pointed out by him that he was advised by the Department that an Irrigation Scheme normally becomes a paying scheme ten years after it is completed and looked at it from that point of view it was premature to judge its earning capacity at present. The Committee, however, also felt that the utility of a scheme of the nature of a Barrage could not be judged purely from the point of view of the revenue that it was going to bring to the State exchequer because the utility of a Barrage for national prosperity is multisided and a very small part of it relate to the bringing of revenue to the exchequer; it leads to the prosperity of the State as a whole because a large number of people are put on the job to do work in several spheres of life and prosperity of the people acts and reacts, therefore, the scheme pays to national prosperity in innumerable ways which perhaps cannot always be couched in terms of revenue that they bring to the State exchequer. The Committee was fully cognizant of this aspect in a Barrage Scheme but nevertheless the question as to how it was reacting so far and the revenue it was bringing for the investment which has been made could never be lost sight of and there must be some reasonable relation between the investment made and actual revenue receipts. In the opinion of the Committee at present the disparity is excessive and the Department should be conscious, if they are not already conscious, that full advantages of the land scheme perhaps are not being utilized and not being harnessed or there are some other bottle-necks somewhere as a result of which receipts are so low as compared to what they should be.

(8) Committee's attention was drawn to the fact that while the project was still not complete, the very ugly problem of water-logging and salinity has shown its face and while more acres were being brought under the plough by utilizing the water available from the project large chunks of land were either going out of cultivation or were likely to go out of cultivation on account of water-logging and salinity. It was pointed out that the water table in this area was beyond 20 feet of the ground level formerly and now it ranged from 5 to 8 feet. In the opinion of the Committee this was a very serious problem and the most important aspect towards which Government should give its immediate attention otherwise the whole scheme of the Barrage would go to dogs and would be completely ruined if immediate steps were not taken to reduce the water-table and to check water-logging and salinity. The Committee felt that the Committee had neither the ways nor the technical know how to suggest as to how it could be done but the Committee felt sure that it could be done in a workable manner and the Committee stressed that this was to be done and should be treated as a must. Mr. M. H. Soofi, informed the Committee that in fact, the Department was apprised of the problem and in view of the seriousness of the problem the A.D.C. prepared a scheme involving a sum of Rs. 15 crores by which the water-table was to be reduced by digging canals to drain off the water to the ocean. The

Member (Finance A.D.C. pointed out that in spite of the seriousness of the question and inspite of the fact that a sum of Rs. 45 crores already invested was in jeopardy and a huge area of land was going to be reduced to a marshy tract, the Finance Department allowed a sum of Rs. 1,06,00,000 only in this year and the coming years it might be not more than Rs. 2 crores whereas the project demanded that a sum of Rs. 3 crores at least should be given each year for five years so that this might be completed and the huge amount of money already invested is saved, thereby protecting a huge area of land turning into marsh. The Committee was simply appalled to know that the Finance Department had not been made sufficiently alert to realise the significance of the dire results which would accrue because of any stinginess or want of foresight in this direction and observed that this was one of those projects where the provision of drainage was a must and should be made without delay because if it was undertaken some time after, the mischief would have been done and the loss to the nation would have accrued and whosoever might be responsible for it would be a very sad man to know that if he had been a little more alert he could have perhaps stopped this catastrophe. Mr. Asif Rahim, Additional Secretary, Finance, at this stage pointed out that the Finance Department had its own difficulties and the difficulties were of providing different departments within the limited resources available to the State and each Department was coming up with its own demands. Therefore, with the best imagination and perhaps with a desire to help also, in some cases, it becomes difficult to allocate the amount that was required by the Department. The Committee was fully alive to the difficulties inherent in providing for finances but point out that if the question of water-logging and salinity was not tackled, and tackled immediately, then unfortunately nothing would remain to be tackled and therefore, it was necessary that the Finance Department should examine and re-examine the question and provide the funds that were necessary, for implementing the drainage scheme in this case. The Committee decided that a copy of these proceedings be placed before the Government for consideration while allocating priority by the Department concerned and by the Finance Department.

(9) The Committee decided that further aspect of the case should be placed before the next Committee when it considers the Accounts for 1959-60.

V. The Committee then adjourned to meet again on 28th May, 1965 at 9-00 a.m.

S. M. SOHAIL,

LAHORE:

CHAIRMAN,

The 27th May, 1965.

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD AT 9-00 A.M. ON 28TH MAY 1965 IN THE
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.

I. The following were present:—

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|---|---------------------------------|
| (1) Mr. S. M. Sohail, M. P. A. | ... Chairman. |
| (2) Sardar Ahmed Ali, M. P. A. | ... Member. |
| (3) Mr. Muhammad Akbar Khan, M. P. A. | ... Member. |
| (4) Khan Ata Hussain Khan, M. P. A. | ... Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial
Assembly of West Pakistan | <i>Ex-officio</i>
Secretary. |
| (6) Mr. Asif Rahim, C.S.P., Additional Finance Secretary,
Government of West Pakistan, Finance Department. | Expert Adviser; |
| (7) S. M. A. Subzwari, P. A. and A.S. Accountant-
General, West Pakistan | ... By invitation. |
| (8) Mr. F. D. Saifi, Deputy Secretary, Agriculture Depart-
ment | ... Ditto. |
| (9) Nawabzada Muhammad Yaqub Khan, Deputy
Secretary, Home Department | ... Ditto. |
| (10) Mr. S. R. Poonegar, C.S.P., Deputy Secretary,
Finance Department with Lt.-Col. J. D. Malik,
Member, Co-operative Board and Mr. Muzzafar
Ahmad, C.S.P., Deputy Secretary, Industries,
Commerce and Mineral Resources Department | ... Ditto. |

II. The Committee resumed consideration of the items relating to the Agriculture, Home, and Finance Departments which were partly considered by the Committee at its meeting held on 24th May, 1965 and further detailed were asked for.

AGRICULTURE DEPARTMENT

Page 5, para. 5—Grant No. 22—Agriculture, Saving Rs. 3,63,14,715—There was a saving of Rs. 5,79,000 under this item on account of the salary of the staff which could not be recruited. The Committee wanted to examine Mr. A. M. Sheikh at present Principal, Tando Jam Agricultural College who was at the relevant time the Director of Agriculture, and who alone, as reported to the Committee on 24th May, 1965 was in a position to give details for the long non-recruitment of the staff at the relevant time. Mr. F. D. Saifi, Deputy Secretary, Agriculture Department, stated that Dr. A. M. Sheikh was directed on the telephone to appear before the Committee but he was informed by Dr. Sheikh that due to non-availability of seat it was not possible for him to comply with the direction. In the circumstances the Committee could not take up the item without the evidence of Dr. Sheikh. The Committee was not satisfied with the explanation submitted for the non-utilization of Rs. 5,79,000 which was due to the non-recruitment of staff. The Committee was of the view that as this item related to the Agriculture Department it was obvious that the non-recruitment of such a huge staff must have affected the working of that Department and thus adversely affected the nation-building activities in a very vital sphere. The Committee, therefore, decided to recommend in its report to the Assembly that Government might call upon Dr. A. M. Sheikh to explain the matter and if his explanation was not satisfactory to take suitable action against him to serve as an example to others for the non-utilisation of public money in a very vital nation-building activity.

HOME DEPARTMENT

Page 7, para. 12(ii) read with page 116—Grant No. 17—Police Sub-heads E-1, E-2 and I, Surrenders in absence of savings—At the meeting held on 24th

May, 1965 the Home Secretary had stated that a part of the items related to the Deputy Commissioner, Kalat but no explanation from the Deputy Commissioner, Kalat was obtained by the Home Department and in fact the Deputy Commissioner, Kalat was never informed about this matter. The Committee then decided that the Deputy Commissioner, Kalat should appear before the Committee on 28th May, 1965 for rural examination.

The Deputy Commissioner, Kalat did not appear before the Committee although he was so asked by Secretary of the Committee. Mr. Muhammad Yaqub Khan, Deputy Secretary, Home Department, stated that the correct position was that the Commissioner, Kalat was called upon to explain the above excess by a letter dated 5th March 1963, from the Secretary to the Government of West Pakistan, Home Department, and therefore the Home Department instead of asking the Deputy Commissioner, Kalat to appear before the Committee asked the Commissioner, Kalat to depute one of the Assistant to the Commissioners to appear before the Committee to explain the discrepancy. The Commissioner was asked in the matter because the amount had been placed at the disposal of the Commissioner who in his turn had put the amount at the disposal of the Deputy Commissioners concerned.

The Assistant to the Commissioner who appeared before the Committee stated that he came to Quetta on 27th May 1965 when he was given two files but the references required for disposal of the present case, were not in those files and therefore, he was not in a position to explain the position satisfactorily.

The Committee noted with regret that the Home Secretary has completely failed to co-operate with the Committee in its deliberations. The Committee observed that on previous occasions too the Committee had the occasion to call for explanations and to call for assistance which was not forthcoming to the extent that it should have been available to the Committee but the Committee did not take any notice of it. In the present case the Home Secretary had made a statement on 24th May, 1965 that it was Deputy Commissioner, Kalat who was supposed to explain it and he had made a further statement that the Deputy Commissioner, Kalat was not able to explain it as no intimation had been given to him to explain it. The Committee was now informed that this was not the factual position. The Committee noted that the efforts made by the Home Department even at this stage to have this yarn straightened out were completely unsatisfactory as neither the Deputy Secretary, Home nor the Assistant to the Commissioner offered any explanations. The Committee noted that the Home Secretary was absent from the meeting and there was no explanation from him for which he could not be present. The Committee could not therefore, ask him to clear his position regarding his incorrect statement on 24th May, 1965. The Committee decided to draw the attention of the Government towards this serious lapses on the part of the Home Secretary. The Committee further decided to recommend to Government to take appropriate action for the failure of the officers concerned to explain the excess expenditure under these sub-heads.

FINANCE DEPARTMENT

(1) Page 3, para. 5, read with page 216—Grant No. 40—Miscellaneous—J-3—Village Aid and the Industrial Development—Surrender of Rs. 45,05,082 and Saving of Rs. 83,15,750—This case was dealt with at length at the meeting held on 22nd May 1965 when the Finance Department was given another opportunity to explain on 28th May 1965 the reason for which the Finance Department accorded sanction for the expenditure of Rs. 1,09,900 only as against the Budget provision of Rs. 6,60,000 Additional Finance Secretary and the Deputy Secretary, Finance could not offer any explanation. The Committee decided to refer it in the Report.

(2) Page 225, Grant No. 45—Provincial Miscellaneous investments—The Committee has already considered the details in respect of investments made in Provincial Road Transport Board, the Agricultural Development Bank of Pakistan

at its meeting held on 22nd May 1965. The Committee now considered the details of investments made in the remaining industries:—

(i) *Small Scale Cottage Industries Corporation*—Deputy Secretary, Industries Department, explained that this was a concern floated in the former N.-W.F.P. area as joint stock company which was wound up in 1957 and a sum of Rs. 10,10,000 was credited back to Government account under the head 32—Industries—A-2—Industries—Development—Miscellaneous Receipts on the 15th and 16th August, 1957 that further sum of Rs. 91,469-1-6 and Rs. 5,608-10-6 were credited to Government on 19th August 1957 and 15th July 1958 respectively under the head a “XX—Interest on Provincial Government shares in the small scale cottage industries, Peshawar. This amount was said to be towards profit and interest. Subject to verification by Audit the item was dropped.

(ii) *Panjnad Sugar Mills Ltd., Khanpur*—Deputy Secretary, Industries Department stated that the sum of Rs. 17,50,000 which was the subscription of Government towards this Mill was in the form of five thousand acres of land given by Government to the two sponsors, namely, Mr. Ishaq Subhani and Agha Yousuf Ali. He further stated that this scheme did not materialise as the sponsors failed to fulfill their part of the contract which was to the effect that they would bring in capital to the tune of Rs. 2½ lakhs each. He further stated that when the scheme did not materialise, Government resumed the five thousand acres of land which had been given under the management of Agha Yousuf Ali and that a suit is pending in respect of the mean profits of these lands. He could not explain how a sugar mill could be established with the government contribution of five thousand acres of land and the sponsors bringing in a sum of Rs. 2½ lakh each. In view of the categorical statement made by the Deputy Secretary, Industries Department, the Committee decided that the Audit should verify this statement, pursue the case till the disposal of the suit, check the amounts realised by way of mean profits and then bring the matter up before the next Committee.

At this stage the Audit Officer of the Directorate of Industries pointed out that in addition to the sum of Rs. 5 lakhs which was to be brought in by the sponsors, they had also undertaken to bring in a further sum of Rs. 15 lakhs. The Committee observed that this statement was understandable because a sugar mill could be started with that amount.

(iii) *Charsadda Sugar Mills Ltd.*—Government investment in this company is to the tune of Rs. 8 lakhs. Deputy Secretary, Industries Department, explained that the Department is getting 6% by way of guaranteed dividend from the company and which they have received up-to-date. Subject to check up and verification by the Audit the item was dropped.

(iv) *Rural Credit Societies*—Under this head there is an investment of Rs. 15 lakhs. Deputy Secretary, Industries Department, stated that this amount was advanced to the Punjab Provincial Co-operative Bank who have issued shares of the value of Rs. 15 lakhs in all to Government in view of this advance and that Government has not received any thing by way of dividend or profits.

Deputy Secretary, Finance Department and the Member of the Co-operative Development Board stated that this amount was made available to the Bank as interest-free loan, and it was utilised by the Bank for the purpose of making

interest-free advances to societies. The Member Co-operative Board further stated that the Bank had declared dividends for some years, but while preparing the balance-sheet for the purpose of declaration of dividend, the Bank discounted the sum of Rs. 15 lakhs advanced by Government and declared dividend on the balance of the share of the Bank, and thus no question of dividend to Government was involved. But no documents were produced before the Committee in support of these statements. The Committee decided that the Audit should verify the above statement and if necessary, bring up the case before the next Committee.

The Committee considered the question whether the principal amount should be returned by the Bank to Government, and for this purpose even if no provision was made at the time of making this grant, a provision could be made now and a scheme formulated. The Member Co-operative Development Board stated that instead of a scheme for the return of the principal amount to Government, it would be more just and equitable and helpful to the Bank, which consists of a small society, if a small interest on this amount or alternatively dividend is made payable on the shares, which have been issued to Government by the Bank. As this was a matter where Government money was involved and the present question was not examined by the Government before the Committee considered it advisable if the Finance Department examines the question and considers the desirability of one or the other of the alternative suggested by the Department either for the return of the capital or for the utilisation in such a manner that the Government gets a dividend.

In respect of the investment made in the Agricultural Bank, the Deputy Secretary, Finance Department stated that the Bank had issued 25,000 shares of the value of Rs. 100, each which were kept in the safe custody of the State Bank. He further stated that there was another allocation of shares worth Rs. 25 lakhs, which was also kept with the State Bank. The Committee desired that the Audit Department should verify this position and suggested that as suggested in the previous case, the Finance Department should now consider the desirability of the return of the capital or alternatively of the payment of dividend against this investment.

(3) Page 4-5 para. 8, read with pages 226-27 Grant No. 46—*Advances not bearing interest—Advances repayable—(Excess Rs. 8,54,757—Excess expenditure under this grant was last considered by the Committee at its meeting held on 23rd November 1964. The following items under this head could not be considered by the Committee by that date.*

- (i) Sub-head "Advances to students of Bahawalpur"—Health Department (Saving of Rs. 20,986); Agriculture Department (Saving of Rs. 17,875)—
- (ii) Sub-head "Advances to Board of Management Muslim Education cess Fund". Education Department (Excess Rs. 1,57,333)—
- (iii) Sub-head "Advances for the purchase of blasting Powder" (Excess Rs. 93,311)—
- (iv) Sub-head "Civil Advances" (Excess Rs. 6,97,886)—

As regards the first two items, Deputy Secretary, Finance Department stated that the Finance Department issued letters asking the Departments concerned to furnish necessary explanations, the first reference was made on 26th September, 1964 and the latest on the 26th May, 1965 and in between there were several other remainders, but the Departments did not furnish any explanation for these savings or excess. The Committee was constrained to say that it was extremely unfortunate that the Departments concerned unjustifiably withheld the information from the Committee. The Committee decided to recommend to Government to take necessary action against the Officers who were responsible for these savings and excess and who failed to furnish any explanation therefor before the Committee.

The explanations for the third and fourth items were found satisfactory and the items were dropped.

(4) Page 3, para. 5, read with page 228—Grant No. 47—Loans and Advances bearing interest—(Saving Rs. 4,00,40,693)—(i) In the meeting held on 22nd May 1965, the Committee decided that explanation for the saving of Rs. 12,49,125 under Sub-head "Loans to Municipalities" and for the saving of Rs. 78,000 under Sub-head "Advances to Cultivators" and the saving of Rs. 4,86,880 under Sub-head "Taccavi Advances for digging open surface wells in non-barrage areas" should be furnished to the Committee on 28th May 1965.

In respect of the saving of Rs. 12,49,125 the Deputy Secretary, Finance Department stated that this money was actually spent out of the grant under Head '70—Capital Outlay' which was the correct Head, and by an accounting adjustment the amount had to be transferred to the Head "Loans to Municipalities" under which a provision existed but this was not done. This being so, the Committee dropped the item but observed that so much time of the Committee was taken to explain the matter only due to the fact that somebody in the relevant Department had not taken care to make proper adjustment which if done, there would have been no Audit remarks. The Committee desired that more care should be taken in future so that such technical irregularities do not occur.

(ii) As regards the saving of Rs. 4,86,880 under the Sub-head 'Taccavi Advances for digging open wells in non-barrage areas', the explanation given by the Agriculture Department was that due to the fact that demands for taccavi for digging these wells were less than anticipated the money could not be spent. The Deputy Secretary, Finance Department produced the original letter from the Director of Agriculture which disposed of the objection in the following words:—

"The saving is due to the fact that there was less demand from Zamindars for taking advance for digging open wells".

In the opinion of the Committee that reply was lacunic, because the Department should have given the data on the basis of which they had prepared their estimates, then they should have given the quantum of demand which was processed by them and accepted as genuine and then they should have given to the Committee some reasons as to why the demand was not forthcoming and only then the Committee could have accepted that position. In the absence of this data the Committee was not satisfied with the lacunic reply sent by the Director of Agriculture. The Committee came to the conclusion that the Agriculture Department did not sufficiently publicise that they had sufficient funds for digging open wells and they did not go out to the people to tell them that if they made applications the money could be made available to them, for the Committee knew that there was a huge demand for loans for digging open wells throughout the countryside in non-barrage areas. The Committee recommend to Government that when funds are set apart for public loans sufficient publicity should be given so that they may be utilised for the purpose and may not be saved or surrendered for want of utilisation.

(iii) As regards the saving of Rs. 78,000 under Head "Advances to Cultivators" in the form of taccavi it was stated in the working paper supplied by the Finance Department that this item pertained to the Board of Revenue. But in the meeting the Deputy Secretary, Finance Department stated that it was not correct and the item actually pertained to the Agriculture Department. He further stated that no explanation for this saving was furnished by the Agriculture Department although that Department was asked to explain the position in September, 1964. The Agriculture Department was represented before the Committee by Mr. F. D. Saifi, Deputy Secretary, who informed the Committee that the Secretary, Additional Secretary and the Joint Secretaries of the Department were busy in a departmental meeting. He further stated that he received the papers regarding this case only

on 27th March 1965, afternoon and so he absolutely did not know anything about the position and could not explain it. In the opinion of the Committee this was a sad commentary on the working of the Agriculture Department who as pointed out by the Committee more than once were not co-operating with the Committee and were sitting idle on Audit remarks. The Committee considered that the obvious position in the case under consideration was that taccavi loans were not made available to cultivators inasmuch as the Department did not perhaps inform the relevant parties to get the amount available to them as an advance on account of the negligence of the Officers in the Agriculture Department. The Committee decided to recommend to Government to take necessary action against the Officers concerned.

FOOD DEPARTMENT

III. In the meeting held on 22nd May 1965, the Food Department did not furnish any working papers in respect of the following items:—

- (i) Page 239, para. 27, *Unfinalized cases-outstanding recovery of Government dues Rs. 90,773—*
- (ii) Page 4, para. 8, read with page 97, grant No. 14—G. A.—D—Commissioners 17(4)—*Expenditure on Civil Supplies and Rationing Excess Rs. 292—*
- (iii) Page 4, para. 8, read with page 94, Grant No. 14—G. A.—C—Secretariat and Headquarters Establishment—12—I—Civil Secretariat—(i) Food and Forest Department—*Excess Rs. 2,231—*

The Director Food who was present in that meeting was asked to explain these items on 28th May 1965, but neither he nor any other Officer of the Department was present in the meeting. The Committee decided that explanations for these items be placed before the next Committee when it considers the accounts for the year 1959-60.

IV. The Committee then adjourned to meet again at 11-30 A.M. for consideration of the items relating to Communications and Works Department.

LAHORE:

S. M. SOHAIL,
CHAIRMAN,

Dated 28th May 1965.

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON 28TH MAY, 1965 AT
11-30 A.M. IN COMMITTEE ROOM 'C' OF
ASSEMBLY BUILDING, LAHORE.

I. The following were present:—

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| (1) Mr. S. M. Sohail, M.P.A. | ... | Chairman. |
| (2) Sardar Ahmed Ali, M.P.A. | ... | Member. |
| (3) Mr. Muhammad Akbar Khan, M.P.A. | ... | Member. |
| (4) Khan Ata Hussain Khan, M.P.A. | ... | Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary
Provincial Assembly of West Pakistan. | ... | Ex-officio.
Secretary. |
| (6) Mr. Asif Rahim, C.S.P.
Additional Finance Secretary, Government
of West Pakistan, Finance Department. | ... | Expert Adviser. |
| (7) Mr. N. A. Chaudhri, P.A. & A.S.
Director, Audit & Accounts (Works)
West Pakistan. | ... | By invitation. |
| (8) Mr. Rafiq Inayat, C.S.P.
Secretary, Communications & Works Depart-
ment alongwith Regional Heads of Depart-
ment. | ... | By invitation. |

II. The Committee in the first instance considered the explanations of the Communications and Works Department in respect of the remaining items of the Appropriation Accounts for the year 1957-58:

(1) Page 7, read with page 165, paragraph 8, Grant No. 29—Civil Works—
Excess Rs. 1,98,79,428—(i) Under the Sub-head "Repair Buildings" there was an excess of Rs. 13,42,322. Reasons for this excess expenditure were furnished by the Secretary, Communications and Works Department, in the meeting held on 28th July 1964, and were found satisfactory.

(ii) Under the Sub-head "Repair Communications" there was an excess of Rs. 39,18,861. Secretary, Communications and Works Department, stated that the reasons for excess expenditure were:—

- (a) The grants which were given for the maintenance of roads were considerably less than the anticipated expenditure and, therefore, to keep the roads going it became necessary to spend money in order to save the roads from being completely ruined ;
- (b) The traffic had no comparison with the traffic which was operating at the time these roads were constructed;
- (c) The road load anticipated was very much less and as a result of the integration of provinces there was a through traffic of heavy vehicles and many other heavy load carriers as a result of which these roads which were constructed for taking lighter loads were subject to traffic strain and practically get ripped off and unless they were immediately taken care of the expenditure on these roads by way of repairs would have been considerably more if they were not taken care of at the proper time and, more so, traffic would have been blocked thereby causing immense harm to the many nation-building activities which were being carried on in the Province, particularly in the Five-Year Plan.

He gave the details of every region and tried to explain with reference to particular roads as to how the excess expenditure was incurred on those roads.

The Director, Audit and Accounts (Works) pointed out that justification for the expenditure apart, there was a super-vening necessity on the part of the Department to keep their expenditure within the bounds of the budget and when the Finance Department was unable to provide in the Budget they should try to tailor their requirements to the funds available at disposal. Generally, the Committee was in agreement with the principle that expenditure should be controlled and kept within the bounds of the budget grants but in the case of repairs of roads and in the circumstances under which these expenses were incurred, namely, the basic necessity of keeping the roads going and from being saved from complete ruin, the Committee was in full agreement with the Department that this expenditure was necessary and that it was not only prudent on their part to have incurred this expenditure but they would have failed in their duties if they would not have taken the risk of incurring the criticism keeping the roads going. Thus the Committee considered the excess expenditure fully justified.

(iii) The excess expenditure of Rs. 1,40,396 had been incurred under the Sub-head "Original Works (Building)". This was made up of small figures in Peshawar, Quetta and Hyderabad Region in a large number of buildings. The amount was spent on such items as replacement of A. C. fans with D. C. fans and such other small items of necessity. Here again the rules remained the same, namely, the expenditure was to be kept well within the budgeted amount but in a big Province like that of West Pakistan spreading over a stretch of about 1,400 miles if there was an excess of Rs. 1,40,396 made up of small expenditure on numerous buildings, it could very well be over-looked.

(iv) Under the Sub-head 'Grants-in-aid' there was an expenditure of Rs. 2,276 which was considered to be a small item.

(v) Under the Sub-head 'Tools and Plant', the expenditure amounted to Rs. 21,535, which was also considered to be a small item.

(vi) Under the Sub-head 'Suspense' there was an excess of Rs. 1,44,54,038 which on the face of it was an appalling figure. This excess was made up mostly of stocks, purchases and miscellaneous advances. Secretary, Communications and Works Department explained that this has been accounted for in the subsequent years. The Committee observed that efforts should be made so far as stocks were concerned to clear the suspense and make adjustments under the final heads which process would lead to reduction in pilferage and misappropriation of stores and stock values, if any. Secretary, Communications and Works Department assured the Committee that the Department was doing it and, in fact, they have done it in subsequent years with the result that in the year that have followed and in the year 1963-64, the excess suspense has come down to the tune of Rs. 10 lakhs.

(vii) With the above remarks the paragraph was dropped.

(2) Page 7 read with page 175, para. 8, grant No. 30-Buildings and Roads—Establishment Charges—(Excess Rs. 1,06,883)—Under this head there was an excess of Rs. 1,06,883 under the sub-head T. A. The Audit objection was that when there was a saving in the field of works expenditure, there should have been a consequent corresponding saving in the establishment side also. The Department's reply was that actually there had been a saving because a sum of Rs. 9,37,120 was surrendered. Secretary, Communications and Works Department stated that the Department had asked for an additional grant of Rs. 3 lakhs under sub-head "T. A." but it was not granted. This amount represents the total excess in the whole Province on the item of T. A. The explanation was considered satisfactory.

III. The Committee then considered the explanations of the Communications and Works Department in respect of the remaining items of the Appropriation Accounts for 1958-59".

(i) Page 3 read with page 181, para. 5, Grant No. 34—Civil Works (Capital) 70—Capital Outlay on Improvement of Public Health—Saving Rs. 1,57,66,391—Under this Head there was a surrender of Rs. 30,16,700 out of the total grant of Rs. 52,42,700 and the excess expenditure was Rs. 34,830. Secretary, Communications and Works Department explained the reasons for the surrender of Rs. 30,16,700 and also for the excess expenditure of Rs. 34,830 itemwise and the reasons were satisfactory. The Committee however observed that if this amount was not surrendered and the work somehow was done by additional initiative and foresight on the part of the Engineers of the Department, it would have been much better.

(ii) 80-Town Development Schemes—There was a total grant of Rs. 2,39,82,800. Out of this the Department surrendered a sum of Rs. 1,00,50,300 and the balance left in their hands was Rs. 1,39,32,500 but they actually spent Rs. 1,73,58,296 and thereby spent a sum of Rs. 34,25,796 over and above the final grant. The only case that was made out was that there was injudicious surrender of Rs. 1,00,50,300. Actually the Department should have surrendered less than what was surrendered. The Committee would have been happier if the Department had not surrendered any amount and completed the schemes with the maximum economy. Technically, however, when these surrenders were made, the officers should have tried to use their judgments and prepare the figures of surrender in such a manner that their expenditure did not exceed it. The explanation of the Department for the excess was that the Department was able to execute additional work and, therefore, there was excess expenditure which was well within the original budget grant. The explanation was accepted by the Committee.

(iii) 81-Capital Account of Civil Works Outside the Revenue Account—Under this Head the original grant was Rs. 9,73,81,510, the modified grant was Rs. 8,97,53,810, the expenditure was Rs. 8,76,01,493 and the saving was Rs. 21,52,317. The Department had surrendered a sum of Rs. 40,27,700 and on that basis the expenditure was to the tune of 98% of the modified grant. The working was considered to be quite satisfactory and in fact, very satisfactory and commendable.

By and large the reason for the surrender was late execution or non-execution of works because the administrative approval came late or that the selection of site or acquisition of land took time and such other factors with which the Committee already dealt at length in the report of the preceeding year wherein the Committee had also made certain suggestions. The Committee drew the attention of the Departments to the solitary result that would follow if the suggestion made by Committee were given effect to.

(2) Page 5, read with 147, para. 9, 30-Civil Works—Excess Rs. 2,94,500—The Committee was informed that the factual position of the excess expenditure under this head was similar to that mentioned in para. 10 (2), page 22 of the Committee's report on the Appropriation Accounts for the year 1957-58. The Committee decided that this item should be disposed of in the manner suggested in the said para.

(3) Page 5, read with page 147, para. 8, Grant No. 30—Civil Works—(Excess Rs. 3,53,57,394)—Under this head the original grant was Rs. 5,04,53,310 out of which a sum of Rs. 15,66,610 was surrendered. The modified grant was Rs. 4,88,86,700 and the expenditure was Rs. 8,58,10,704. Thus there was an

excess expenditure to the tune of Rs. 3,69,24,004. The break up of excess is as under :—

		Rs.
(a) Suspense	.. ..	3,44,25,221
(b) Repair Buildings	.. ..	18,94,933
(c) Repair Communications	.. ..	10,62,405
(d) New Supply T. & P.	.. ..	41,445
		<hr/> 3,69,24,004

Deducting the amount of "suspense" from the figures of excess expenditure, the balance left is Rs. 24,98,783 and which works out to about 3% of the total grant. The Director, Audit and Accounts (Works) pointed out here again that the Departments should keep themselves well within the bounds of demands and even though the requirements might be immediate and urgent they should not forget that if the budget did not permit the work should wait. Secretary, Communications and Works Department explained that in this case the work was such that they perhaps could not wait and they have given a long detailed explanation about each work. The Committee was of the view that although the Department should execute the works even if there excess expenditure in preference to sitting back and not executing the works but this action should be limited to the budget grant available. The explanation was found to be satisfactory.

The Committee suggested to the Secretary, Communications and Works Department that officers of the Department should be alerted to the necessity of keeping the expenses well within the Budgetted amount and if performed, to have to exceed it, they should be very clear in their minds that can be done only in cases wherein exercise of their judgment they find that non-execution of works will meet a disaster or much greater harm than is dictated by the rules of prudence.

At this stage the Additional Finance Secretary pointed out that excesses put the Finance Department in a quandry and if every Department comes out with an excess then the position of Finance will be untenable. The Committee was in agreement with the Finance Department on this question with this little reservation that in a developing economy where there are 5-Year Plans and the Government is accelerating the work programme tremendously given the chance between excessive saving and a small excess expenditure the choice would lie on the side of reasonable excess expenditure.

It was then pointed out that the balance under suspense account was too much. Secretary, Communications and Works Department stated that this expenditure was due to purchase of material which was considered necessary because materials were difficult to procure and for the execution of works it was necessary to procure materials wherever available to carry on the work. The Committee observed that the fact remained that the excess under the sub-head "Suspense" had been to the tune of more than three crores which was more than 60% of the budgetted grant and this was certainly excessive. The Committee desired that the Department should issue a circular to all its officers to ensure that this type of heavy excess which may completely upset the Finance Department should be avoided.

With these remarks the para was dropped.

(4) Page 5 read with page 153, para. 8, Grant No. 31—Charges on P. W. D. (B. & R.) Establishment—(Excess Rs. 9,92,679).—Under this Head the final grant was Rs. 1,95,65,810, but the actual expenditure was Rs. 2,05,58,489 and thus Rs. 9,92,679 was spent in excess. The percentage of excess comes to 4.6%. The Department explained this excess expenditure by giving a break up spread in all the regions.

The Director, Audit and Accounts (Works) pointed out that as there was a saving of Rs. 12.82% on the Capital Works (provision Rs. 12,30,70,010, the expenditure was Rs. 10,72,40,619 and saving of Rs. 1,57,66,391) there should not have been an excess of 4.6% on the Establishment side. The broad reply given by the Department was that although there was a saving on the Capital Expenditure yet on the other Heads namely the maintenance, etc., there was excess expenditure and if the yard-stick was the quantum of work judged on the basis of expenditure then the excess expenditure on Establishment was more than offset by the total expenditure incurred taking into consideration the capital and the maintenance works. The Department also urged that in the case of establishment even if the works were not fully carried out and there was some saving one cannot meticulously expect a *pro-rata* decrease in the establishment because the employees and other expenditure on the establishment side continue without taking into account the work executed on the Capital side. As the Committee had, before it the detailed break-up of this excess expenditure and the Audit was not able to pin-point unwarranted excess under these detailed items, the Committee was satisfied with the excess expenditure. The Committee, however, observed that the Committee considered it as a wholesome yard-stick that the establishment cost should be commensurate with the execution of capital and other works.

(5) Page 149, para. 4—*Grant No. 30-Civil Works Suspense*—This item relates to suspense account of Rs. 3,77,99,821. The Committee was informed that this account has been considerably reduced. The para was dropped.

IV. The Director of Audit & Accounts (Works) suggested that in cases of write-off of losses, the necessary file should be made available to the Audit for scrutiny and comments. The Committee was informed that this matter was considered by the previous *ad hoc* Committee. The Committee desired that in all cases of loss of Rs. 5,000 or above, the case should be reported to the Audit and wherever the Audit requires, the file for examination, the same should be submitted to them for examination. The Committee pointed out that this will not in any way curtail the general power of Audit to call for any documents, books or records whenever considered necessary, to examine the documents relating to the transactions.

V. The Director, Audit & Accounts (Works) then drew the attention of the Committee towards the following decision of the previous *ad hoc* Committee:—

“In many cases Government servants have committed irregularities etc., and retired before any action was taken against them. Therefore the Committee desired that a certificate be obtained before final pension is sanctioned that there are no irregularities pending against the Government servant proceeding on retirement.”

The Deputy Secretary, Finance Department stated that this matter has been reconsidered by the Finance at great length but it was decided that this certificate should not be insisted upon. The Committee was also of the opinion that if the direction regarding certificate referred to above was not rigidly enforced, there might be some cases in which officers having committed irregularities might get pension, but in this case a large number of Officers against whom there might not be any case of irregularity, would not have to wait for a very long time before their pensions were sanctioned. This procedure of obtaining certificates, therefore, if enforced, would lead to the punishment of a large number of innocents for the purpose of bagging a few miscreants, which did not appear to be sound and

equitable. This being so, the Committee was of the view that the present procedure of granting pensions without obtaining the certificates regarding the fact whether any case of irregularity was pending or not, might continue.

VI. The Committee then adjourned to meet again on 29th May 1965 at 9-00 A.M.

S. M. SOHAIL,

Chairman,

Standing Committee on Public Accounts.

LAHORE :

Dated 28th May, 1965.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON 29TH MAY, 1965 AT
9-00 A.M., IN COMMITTEE ROOM 'C' OF
ASSEMBLY BUILDING, LAHORE.**

I. The following were present:—

- | | |
|---|------------------------------------|
| (1) Mr. S. M. Sohail, M.P.A. | ... Chairman. |
| (2) Sardar Ahmed Ali, M.P.A. | ... Member. |
| (3) Mr. Muhammad Akbar Khan, M.P.A. | ... Member. |
| (4) Khan Ata Hussain Khan, M.P.A. | ... Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary,
Provincial Assembly of West Pakistan | ... <i>Ex-officio</i>
Secretary |
| (6) Mr. Asif Rahim, C.S.P.
Additional Finance Secretary, Government
of West Pakistan, Finance Department. | ... Expert Adviser. |
| (7) Mr. S. M. A. Subzwari, P. A. and A. S.
Accountant-General, West Pakistan. | ... By invitation. |
| (8) Mr. N. A. Chaudhri, P. A. and A. S.
Director, Audit & Accounts (Works),
West Pakistan. | ... By invitation. |

II. The Committee discussed the Finance Accounts of the Government of West Pakistan, for the year 1958-59.

III. The Committee considered the report of the Finance Department on the action taken by the Finance Department on the recommendations of the Committee made in its report on the Appropriation/Finance/Commercial Accounts of the Government of West Pakistan for the year 1957-58 and decided that this should form a part of the report on the Appropriation/Finance/Commercial Accounts for the year 1958-59.

IV. The Committee then approved its report on the Appropriation/Finance/Commercial Accounts for the year 1958-59 and authorised the Minister of Finance, Government of West Pakistan to present this report to the Assembly.

V. The Committee then adjourned *Sine-die*.

S. M. SOHAIL,

CHAIRMAN,

LAHORE:

Dated 29th May, 1965.

Standing Committee on Public Accounts.

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ANNEXURE B
STATEMENT SHOWING ACTION TAKEN
BY
FINANCE DEPARTMENT
on the
REPORT FOR
1957-58

ANNEXURE 'B'

STATEMENT SHOWING ACTION TAKEN BY FINANCE DEPARTMENT ON THE REPORT OF PUBLIC ACCOUNTS COMMITTEE ON THE APPROPRIATION/COMMERCIAL/FINANCE ACCOUNTS FOR 1957-58.

Serial No.	REFERENCE		Relevant extracts from Public Accounts Committee Report	Action taken by Finance Department	REMARKS
	Page No.	Para. No.			
1	2	3	4	5	6
1	4, 5 and 6	6 (1) to (6) (5).	<p>(1) It may be worthwhile to mention that in respect of savings due to surrenders out of the original grant, the Finance Department raised an objection that normally the Committee had no jurisdiction to go into this question or ask for explanations regarding surrenders. It was urged on behalf of the Irrigation and Power Department that taking into consideration the proceedings of the Standing Committee on Public Accounts, dated the 16th December, 1957, the Departments were not required to submit explanations for the surrendered amount as it was not required to be brought forth in the Appropriation Accounts. The observations of that Committee were as follows:—</p> <p>“The Committee considered the Memorandum of the Accountant-General, West Pakistan, and agreed to his proposal contained therein, viz., the explanatory notes for the modification of the original provision at present exhibited in column 1 of the Appropriation Accounts should be omitted in future”.</p> <p>(2) The question of jurisdiction of the Standing Committee on Public Accounts in view of the stand taken by the Finance Department and the Irrigation and Power Department was examined in detail by the Committee. The National Assembly of Pakistan Rules of Procedure as adopted for regulating the procedure of the Provincial</p>	<p>Finance Department have no objection to the inclusion of reasons for surrenders in the Appropriation Accounts. The Accountant-General, West Pakistan has been informed accordingly. However, action in this regard is to be taken by the Comptroller and Auditor-General, whose constitutional responsibility it is to lay down the form in which the accounts of the Provinces as well as the Centre are to be prepared. Apparently, it was at the instance of the Comptroller and Auditor-General that the P. A. C. had agreed to omit the explanatory notes for the modification of the original provisions from the Appropriation Accounts in 1957. The same modification of procedure was adopted at the Centre as well. The Accountant-General will now have to take up the case with the Comptroller and Auditor-General.</p>	

Serial No.	REFERENCE		Relevant extracts from Public Accounts Committee Report	Action taken by Finance Department	REMARKS
	Page No.	Para. No.			
1	2	3	4	5	6
			<p>Assembly of West Pakistan, the Rules of Procedure of the former Punjab Legislative Assembly and the Rules of Procedure of the West Pakistan Assembly under the 1959 Constitution were examined.</p> <p>It was found that the rules regarding the jurisdiction of the Public Accounts Committee in all these rules were identical. The proceedings of the Public Accounts Committee in respect of Appropriation Accounts of the Provincial Government for the year 1939-40 and 1941-42 were also examined. It was found that Public Accounts Committee had been considering this question and a large number of paragraphs in the proceedings the Public Accounts Committee for these years pertained to this question. The then Committee considered this question, asked for explanations, and reasons leading to the surrenders which were furnished to the then Committee. The relevant paragraphs occurred on pages 19-27 of the Report of the Public Accounts Committee in respect of Appropriation Accounts for 1939-40. Similar explanations were called for by the Public Accounts Committee while examining the Appropriation Accounts for the year, 1941-42. This being so, it appeared to the Committee that the correct interpretation of the rules (taking into consideration past practice followed by the Public Accounts Committee) is that the Standing Committee on Public Accounts has and should have jurisdiction to consider this question and ask for an explanation regarding thereto.</p>		

(4) As for the point raised on behalf of the Irrigation and Power Department, that in view of the Public Accounts Committee's decision referred to above it was not necessary for the Department to furnish the explanation to the Audit so long as the Standing Committee on Public Accounts does not change its decision regarding future working, the Committee was inclined to agree with the Department for the reason that the explanations to be submitted by the Departments are for the scrutiny of the Audit so that if they consider it sufficient they need not include them in the Appropriation Accounts, and if, on the contrary, they find it insufficient they are to include them in the Appropriation Accounts for the examination of the Standing Committee on Public Accounts. The Committee, however, observed that as against the argument which was based on a previous decision of the Public Accounts Committee, there was a formidable argument based on the rules and rules require that in all cases of surrenders the Departments concerned should furnish explanations to the Audit for their examination, if the Audit is satisfied with that explanation then it has to drop the matter there and if the Audit is not satisfied with it then the Audit has to bring it to the Standing Committee on Public Accounts for their attention and examination and for the Report of the Public Accounts Committee to the Legislature so that the Legislature may exercise proper control over such cases.

(5) The Committee decided that the correct procedure consistent with the rules, as also with the satisfactory working to ensure proper examination and scrutiny of the reasons for the surrender of amounts granted by the Legislature to the Department is that the health rule in practice so far that they should be included in the Appropriation Accounts should be followed in future.

In the course of deliberations of the Committee another question regarding the jurisdiction of the Committee was raised in connection with the issue whether the Committee could call for an explanation of the Finance Department in case relating to supplementary appropriation of accounts even when it appeared to the Committee that an application for the same was made in proper time and

The following two questions were referred to the Law Department for their advice:—

(i) whether the P. A. C. was competent to ask for the explanation of the Finance Department for the amounts

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6 and 7

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Serial No.	REFERENCE		Relevant extracts from Public Accounts Committee Report	Action taken by Finance Department	REMARKS
	Page No.	Para. No.			
1	2	3	4	5	6
			<p>was arbitrarily and perversely turned down by the Finance Department, as a result of which gross irregularities occurred or as a result of which there has been great national loss. The Finance Department was of the view that the Committee could not call for an explanation of the Finance Department even in cases of such serious lapses and that the Finance Department was responsible to the Legislature alone.</p> <p>The Committee examined this question in some detail. The Committee found that there was a duty cast by the Constitution as well as by the Punjab Budget Manual on the Finance Department to make supplementary grants in suitable cases.</p> <p>The Committee was of the view that where a duty was cast on the Finance Department to act in a particular manner, and if the question arises whether they did or did not act in terms of the duty cast upon them by law then the Committee was well within its jurisdiction for asking explanation from the Finance Department. What was the alternative before the Committee to satisfy itself whether the Finance Department has or has not discharged that duty which has been cast on them by law. The Committee therefore, disagreed with the Finance Department that even if the Finance Department improperly or perversely acts in the matter of making these supplementary appropriations, the Public Accounts Committee will be just helpless and have no jurisdiction to look into and to bring it to the notice of the Legislature. Under the presidential system and the Constitution</p>	<p>granted to a Department</p> <p>(4) whether the P. A. C. could go into the question of the correctness or otherwise of the action of the Finance Department in re-appropriating any amount from one sub-head to another or refusing to do so in any particular case.</p> <p>The opinion of the Law Department on the above two issues was as follows:—</p> <p>"It could not be the intention of the Legislature to give the P. A. C. appellate powers over the decisions of the Finance Department. The Committee has to perform its functions in a particular field, namely, with regard to the checking of Public Accounts and it can have no say about the appropriateness or otherwise of orders of the Finance Department whereby for instance a certain amount is granted to a particular Department for a particular scheme. As already stated, the function of the P. A. C. extends to the determining of the question whether every re-appropriation has been made in accordance with the procedure Rules, but explanation of the Finance Department with regard</p>	

in force, the Public Accounts Committee is the eye of the Legislature in the matter of the Appropriation and expenditure made from the funds voted by the Legislature and if all cases, where the Finance Department has without sufficient cause refused to grant money by Supplementary appropriation or has with little reason refused to grant money by re-appropriation were to be taken out of the jurisdiction of the Public Accounts Committee, it would amount to whitening down the functions of the P. A. C. This would, not only, be contrary to what is envisaged by the Assembly Rules of procedure but also to all accepted principles of Parliamentary control over finances. The Committee would like to quote here from Parliamentary Grants by Durell".

(8) In Para 5 of his report on the Appropriation Accounts, the Comptroller and Auditor General reported savings in 36 out of 47 grants. Savings ranged from 5.79 per cent to 100 per cent. The Committee scrutinised all those cases in which there was a saving of more than 10 per cent under a head. Savings under the following eleven heads require special attention.

Savings under head "81—Capital Account of Civil Works outside Revenue Account".

(1) The Committee in the first instance examined the explanations of the Administrative Departments in respect of savings due to surrenders out of the original grants. Under Head 81—Capital Account of Civil Works outside Revenue Account under Grant No. 33—Civil Works—Capital, the Communications and Works Department surrendered a sum of Rs. 2,08,78,270 from the original grant of Rs. 10,50,77,200 and there was a further saving of Rs. 91,53,074. It would thus appear that out a total grant of ten and a half crores a sum of about three crores could not be spent. The Committee conducted a detailed examination of the question as to how and why such huge savings were effected and how they could be avoided and examined Mr. Hameed-ud-Din, Chief Engineer, Southern Region, and Mr. A. R. Qureshi, Chief Engineer, Central Region, had a detailed discussion with the Additional Finance Secretary, the

to matters of policy in allotting funds for a particular scheme or not, in my opinion, cannot be taken by the Committee".

In spite of the above advice of the Law Department, Finance Department would be prepared to submit explanations for refusing to provide additional funds as desired by the P. A. C. in order to avoid a controversy.

Instructions have been issued to the Administrative Departments to expedite administrative approvals of schemes in order to avoid laying of funds in future.

Serial No.	References		Relevant extracts from Public Accounts Committee Report	Action taken by Finance Department	Remarks
	Page No.	Para. No.			
1	2	3	4	5	6
			<p>Accountant-General, West Pakistan, and the Director of Audit and Accounts (Works). The main reasons for the non-expenditure and consequent saving appeared to be as follows :—</p> <p>(1) Administrative approval was not available long after the beginning of the financial year and in many cases it was received late in the year in some cases was not received at all and the work, therefore, could not be executed.</p> <p>The Committee suggested that it might be worth while to examine whether administrative approval should be available simultaneously with the grant of amount by the Assembly. The attention of the Committee was drawn to paragraph 7-6 (b) (ii) of the Punjab Budget Manual, 5th Edition, which is reproduced below:—</p> <p>"No project should be included in the list of Major Works which has not received the necessary administrative approval".</p> <p>The Committee takes this opportunity to point out that there were a large number of cases, where the property was acquired by Government from individuals for nation-building works. It was, however, of the utmost importance that compensation was paid to the persons, whose property was taken, immediately and every care should be taken that the payment was not delayed. The Committee wished that the Secretaries of the</p>		
4	13-14				Instructions have been issued to all concerned. (See Appendix A.)

As against serial (I) on page one *etc.*

Instructions have been issued to all concerned. (See Appendix B).

Departments concerned, as also the Chief Engineers and all those who were responsible for acquiring land and making the payments, to make a note of this fact so that payments were made by them without avoidable delay.

III. Saving under head 'Irrigation- Capital' (Saving Rs. 10,05,00,021). In this case the final grant was Rs. 24,70,79,210 out of which a sum of Rs. 8,69,11,430 was surrendered by the Department and thus it was claimed that the grant was reduced to Rs. 16,01,67,780. A point was raised by the Finance Department that normally the Committee had no jurisdiction to go into this question or to ask for explanations regarding such surrenders. This point has been dealt with at length earlier. The Committee decided that the P. A. C. has jurisdiction to go into these questions and ask for explanations regarding such surrenders. But as for the saving under consideration, the Committee felt that there was a considerable force in the argument of Mr. A. R. Kazi, Secretary, Irrigation and Power Department that the Department being under the impression that these explanations were not to be submitted to the P. A. C., did not furnish them till now, although they had supplied it to the Finance Department. The Committee on one hand wished to examine these explanations but they had no time in their hands to postpone the report and, therefore, the Committee decided that this matter may be kept pending and the Department concerned should submit their explanation to the Audit for their scrutiny and the audit may include this item in the Appropriation Accounts for the year 1964-65, if it considered it worthwhile for the examination of the Public Accounts Committee.

IV. Saving under grant No. 39. Miscellaneous. Head 457—Misc-A—Cost of books and periodicals" (Saving Rs. 28,023)—under this head there was a saving of Rs. 28,023 out of total grant of Rs. 50,000. This money was meant for the purchase of official publications by several Government Departments. The Committee point out with regret that Secretary, Agriculture Department, West Pakistan. The Registrar, Co-operative Societies, West Pakistan, the Secretary Health Department, West Pakistan, the Secretary, Food Department, West

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15-16

Serial No.	Paragraphs		Relevant extracts from public Accounts Committee Report	Action taken by Finance Department	REMARKS
	Page No.	Para. No.			
1	2	3	4	5	6
7	18	9(1) 9(2)	<p>Pakistan, the Director, Civil Defence, West Pakistan, the Director, Labour Welfare, West Pakistan, the Secretary, Education Department, West Pakistan, the Inspector General of Police, West Pakistan, the Secretary, Home Department, West Pakistan, the Secretary, Water and Power Department, West Pakistan, the Commissioner, Lahore Division, the Rehabilitation Commissioner, West Pakistan, the Commissioner, Bahawalpur Division, the Commissioner, Khairpur Division, the Commissioner, Hyderabad Division, the Commissioner, Kalat Division, the Commissioner, Peshawar Division, the Commissioner, Dera Ismail Khan Division, the Chairman, Road Transport Authority, West Pakistan, the Chief Game Warden, the Secretary, Communications and Works Department, West Pakistan, the Controller, Printing and Stationery, West Pakistan, had either made no expenditure at all on the purchase of these books or made purchases worth quite a few rupees. The Committee is of the opinion that no progress could be made in the country if the officers, to whom grants for books are made for their information being brought up-to-date, do not purchase books and thus do not afford an opportunity to their subordinate officers to brush up their minds with the progress all around and the requirements of the country all around them particularly from the point of view of their own department. The Committee recommend to Government to draw the special attention of these officers towards this.</p> <p>The Committee scrutinized the following excesses over voted grants mentioned in paragraph 8 of the Audit report:—</p>	Necessary action is being taken.	

Serial No.	No. and Title of the Grant	Final Grant	Expenditure	Excess
		Rs.	Rs.	Rs.
1	5—Stamps	3,62,240	3,96,530	34,290
2	10—Irrigation Works	6,15,51,700	6,88,74,795	73,23,095
3	14—Administration of Justice	67,81,800	68,19,003	1,37,203
4	29—Civil Works	4,18,02,600	6,16,82,028	1,98,79,428
5	30—Buildings and Roads Establishment charges	1,45,02,310	1,46,09,193	1,06,883
6	31—Electricity schemes working expenses	3,75,10,510	3,86,88,526	11,78,016
7	36—Privy purses and subsidies superannuation allowances and pensions	1,74,24,380	1,86,75,939	12,51,559
8	43—Capital Outlay on Provincial Schemes of state trading	41,35,60,460	44,42,03,663	3,06,43,203
9	47—Suspense	44,05,02,000	75,66,47,120	31,61,45,120
	<p>(2) Explanation of the Department concerned for the excess expenditure shown against Serial Nos. 1, 2, 3, 6 & 7 were satisfactory and the Committee recommends that necessary grants to regularize these excesses over the voted grants may be made by the Governor under Article 235 of the Constitution. Under head "Suspense" shown against serial No. 9 above the excess expenditure was to the extent of Rs. 31,61,45,120 Out of this excess expenditure, a sum of Rs. 1,38,33,149 is related to the year under report and remaining amount was brought forward from past year. Details of this account, region-wise were not furnished to the audit as a result of which it could not be the subject of audit scrutiny. The explanation that was furnished to the Committee was bald and devoid of particular and the</p>			

Efforts have been made to reduce the balance lying under suspense. As per the latest Audit actuals for 1963-64, the amount lying in suspense was about one crore only.

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Serial No.	Bureaucracy		Relevant extracts from Public Accounts Committee Report	Action taken by Finance Department			REMARKS	
	Page No.	Para. No.						
1	2	3			5		6	
22— <i>concl'd.</i>		9(7)— <i>concl'd.</i>	Committee was not satisfied with it. Mr. S. M. Nasim, Additional Finance Secretary, stated that he would look into it and have it verified in consultation with the audit. In passing the Committee could only observe that the hanging on of such large amounts of money in suspense account was extremely undesirable.					
9	22	10(1)	The Committee examined the following excesses over charged appropriations stated in paragraph 9 of the audit and recommends that the excess under serial No. 2—5 may be regularized by the Governor under Article 235 of the Constitution. No explanation was furnished to the Committee in respect of excess expenditure shown at Serial No. 1.		Necessary action is being taken.			
				Serial No.	No. and title of the Appropriation	Final Appropriation	Expenditure	Excess
				1	1—Salt	Rs. ...	Rs. 1,40,143	Rs. 1,40,143
				2	Debt Services	Rs. ...	Rs. 6,92,22,399	Rs. 66,02,699
				3	14—Administration of Justice	Rs. ...	Rs. 23,02,248	Rs. 63,438
				4	29—Civil Works	Rs. ...	Rs. 4,92,985	Rs. 2,42,685
				5	Public Debt—Discharged	Rs. ...	Rs. 19,38,88,049	Rs. 3,74,61,640
<p>10(2). As regards the excess under head "50—Civil Works" the Director of Audit and Accounts (Works) pointed out that under the allowances and privileges (Governors) order, 1962, G. O. No. 7, dated the 26th July, 1962, it has been prescribed.</p>								

10(2). As regards the excess under head "50—Civil Works", the Director of Audit and Accounts (Works) pointed out that under the allowances and privileges (Governors) order, 1952, G. O. No. 7, dated the 26th July, 1952, it has been prescribed.

in paragraph 7 (b) thereof read with Schedule V thereto that a maximum sum of Rs. 2,15,500 shall be provided for the improvement and maintenance of official residences of the Governors of Punjab, Sind and N.W.F. P. which after integration would mean for the improvement and maintenance of the official residences of the Governor of West Pakistan, that a grant of Rs. 2,50,300 instead of Rs. 2,15,500 was made and a sum of Rs. 4,92,986 was actually spent that to say, a sum of Rs. 2,42,686 has been spent in excess of the modified grant and sum of Rs. 2,77,486 had been spent in excess of the limit fixed under the said Order. The implication was that the modified grant was in excess of the maximum limit provided by the order to the tune of Rs. 34,800 and the amount actually spent in excess of the limit prescribed in the order was to the tune of Rs. 2,77,486 as stated above. The Committee was satisfied with the explanation given by the Communication and Works Department. This excess of expenditure obviously was necessitated by work which were considered necessary to be done under the circumstances. The Committee however, points out that the irregularity is obvious and quite patent and should be regularised by obtaining the orders of the President, who is the proper authority to raise the limit.

Important financial irregularities and defects in procedure discovered during the local audit of the initial accounts maintained by the departmental officers are communicated by the Audit officers to the Heads of Offices, Controlling Offices, etc., through inspection reports and Audit notes. The time prescribed for replying to audit notes is six weeks. But in a large number of cases, no replies were furnished in time. The attention of the Committees was drawn to the proceedings of the meeting of the *ad-hoc* Public Accounts Committee held on 1st December, 1961, which was presided over by the Governor and where this question was considered amongst other questions and a decision was taken which is reproduced below:

"The Committee directed that a circular letter should be issued to all Heads of Departments to order withholding of the salaries in respect of those officers who do not

The matter is at present under correspondence between the Communication and Works Department and the Military Secretary to the Governor. Apart from regularizing the excess expenditure President's sanction will also be obtained.

Necessary instructions to take disciplinary action against the defaulters have already been issued—*etc/* Finance Department's circular No. SOFRII-10 (4)/63, dated 18th June 1963. (See Appendix C).

Serial No.	References		Relevant extracts from Public Accounts Committee Report	Action taken by Finance Department	REMARKS
	Page No.	Para No.			
1	2	3	4	5	6
10— concl.	39—concl.	12—concl.	<p>reply to the audit objections within the prescribed time limit".</p> <p>The Accountant-General, pointed that circular letter was issued on the basis of this decision in September 1962, but in spite of that a large number of cases still remained where the audit notes were not attended to. It was pointed out on behalf of the Finance Department that there were some procedural difficulties in withholding salaries of the Officers concerned if they were not attending to the audit notes. The Committee advised that this question should further be examined by the Finance Department. The Committee, however, observed that the matter is quite serious and if there is any difficulty in imposing this particular punishment, it should be quite possible to deal with such delinquents in some other way. The Committee is of the opinion that it should be a quite healthy rule of practice that the Department which considers that a proper reply cannot be formulated within the period of six weeks, should send an interim report to the Audit stating the difficulties inherent in the collection of the relevant material for the purpose of the formulating the replies and ask for such time as they considered necessary for the preparation of replies and in all other cases replies should be sent to the Audit within the prescribed time limit. If this procedure is not observed in future, the Heads of Departments should take severe disciplinary action against the officers responsible for delay and failure of the Heads of Departments to implement this would be treated as laches on their part and should be dealt with accordingly by the Government.</p>		

(ii) Government Weaving and Finishing Centre, Shahdara earned a net profit of Rs. 2,30,213 during the year under review as against the net profit of Rs. 5,06,788 made during the previous year. The profit was arrived at after the transfer of expenditure of Rs. 4,78,037 from the commercial side to the Education side. But for this transfer the profit would have turned into a loss of Rs. 2,48,824. The Committee examined the justification for the transfer of this expenditure to the education side on merits. The Secretary of the Department drew the attention of the Committee to Rule 24 of the Rules for the Working and Management of the Institute accordingly of which certain expenditure is debited to the education side. He further stated that the Finance Department had fixed the ratio of 4:11 as to the ratio of disbursement for the profits of the organization meaning thereby that 4 out of every 11 has got to be credited towards the Education side that is being run by this Institution. He said that this factory was running a Centre for training to supply personnel to other factories in the Province and for the purpose certain expenditure had to be incurred which was charged to the profits of this factory and that the number of trainees fluctuated. In the opinion of the Committee sufficient data was not placed before it to satisfy it that it was necessary to charge the cost of expenditure of the trainees to the profit of this Institution. If it was necessary to run a training course in this Institute, Government might have provided a grant for running it and the trainees might very well avail of it for the purpose of carrying on their training course. But to charge expenditure on this Training Course to the profits of this Commercial Organization appeared to be extraordinary. The Committee recommends that this position should be reviewed and reconsidered by the Finance Department sitting along with the Industries and Commerce Department and the management of the factory and a solution found out.

The issue is under examination in consultation with the Department of Industries.

APPENDIX A

GOVERNMENT OF WEST PAKISTAN, FINANCE DEPARTMENT

No. 1521-D(b)-3(49)63, dated Lahore, the 29th April 1965, from Mr. V.A. Jafarey, O.S.P., Secretary to Government of West Pakistan, Finance Department, to (1) all Administrative Secretaries to Government, West Pakistan, (2) all Heads of Attached Departments; (3) all Commissioners of Divisions; (4) the Registrar, High Court of West Pakistan, Lahore; (5) all Heads of Autonomous Organisations.

Subject—PAYMENT OF COMPENSATION TO THE PERSONS WHOSE PROPERTY WAS ACQUIRED FOR PUBLIC WORKS.

SIR,

I am directed to state that, while examining the accounts for the year 1957-58 pertaining to construction of buildings, the Standing Committee on Public Accounts observed that the main reason for non-utilisation of budget funds and consequent surrenders lapses was non-availability of site for the construction of buildings. The Committee observed that sites for buildings should invariably be fixed before the Budget provision was made thereof.

2. It was also observed by the Standing Committee that in a large number of cases where the land was acquired by Government from individuals for national building works, inordinate delay took place in the payments of compensation. The Committee wished that the Secretaries of the Departments concerned as also the Chief Engineers and those who were responsible for acquiring land and making the payments should ensure that the compensation was paid without avoidable delay.

3. I am to request that requisite action in accordance with the above decisions of the Standing Committee on Public Accounts may please be taken under intimation to Finance Department.

Your obedient servant,

MOHAMMAD HUMAYUN

DEPUTY SECRETARY (DEVELOPMENT)

for Secretary to Government of West Pakistan, Finance Department.

APPENDIX B

GOVERNMENT OF WEST PAKISTAN, FINANCE DEPARTMENT

No. (A&AI) V-3/65, dated Lahore, the 20th May 1965, from Mr. V.A. Jafarey, C.S.P., Secretary to Government of West Pakistan, Finance Department, to (1) all Administrative Secretaries to Government of West Pakistan; (2) All Heads of Attached Departments in West Pakistan; (3) all Regional Heads of Departments in West Pakistan; (4) all Commissioners of Divisions in West Pakistan; (5) all Deputy Commissioners, Political Agents and District and Session Judges in West Pakistan; (6) Registrar, High Court of West Pakistan, Lahore.

Subject:—PURCHASE OF OFFICIAL PUBLICATIONS BY GOVERNMENT DEPARTMENT.

SIR,

I am directed to say that the Standing Committee on Public Accounts,—*vide* paragraph VI of their report on the Appropriation/Commercial and Finance Account of the Government of West Pakistan for the year 1957-58 pointed out that most of the Departments/Officers had either incurred no expenditure at all on the purchase of books or made insufficient purchases. The Committee further observed that no progress could be made in the country, if the officers, to whom the grants for books are made, do not purchase books and thus do not afford an opportunity to their subordinate offices to be well informed.

2. In order to utilize the funds for the purchase of books I am to request that the above observations of the Standing Committee on Public Accounts may kindly be noted.

3. I am further to request that these instructions may be brought to the notice of all officers under your administrative control.

Your obedient servant,

SAVAK R. POONEGAR, C.S.P.

DEPUTY SECRETARY (R. & S.)

for Secretary to Government of West Pakistan,
Finance Department.

No. (A&AI)-V-2/65, dated the 20th May, 1965.

A COPY is forwarded, for information, to the:—

- (1) Accountant-General, West Pakistan, Lahore;
- (2) Director, Audit and Accounts (Works), West Pakistan, Lahore;
- (3) Director of Commercial Audit, West Pakistan, Karachi;
- (4) Comptroller, Southern Area, West Pakistan, Karachi;
- (5) Comptroller, Northern Area, West Pakistan, Peshawar;
- (6) General Manager (Commercial) Pakistan Western Railway, Lahore.

FAZLUR RAHMAN

Section Officer (A&AI), Government of West Pakistan.

No. (A&AI)-V-3/65, dated 20th May, 1965.

A COPY is forwarded to all Section/Budget Officers, Government of West Pakistan, Finance Department.

FAZLUR RAHMAN

Section Officer (A&AI), Government of West Pakistan.

APPENDIX C

GOVERNMENT OF WEST PAKISTAN, FINANCE DEPARTMENT

No. SOFR-II-10(4)/63, dated Lahore, the 18th June, 1963, from Mr. Muhammad Ameer Ali, P.O.S., Deputy Secretary (Financial Regulations) to Government, West Pakistan, Finance Department to (1) all Administrative Secretaries to Government, West Pakistan, (2) all Heads of Attached Departments in West Pakistan, (3) Registrar, High Court, West Pakistan, Lahore.

Subject—SPENDY DISPOSAL OF AUDIT OBJECTIONS.

SIR,

I am directed to invite your attention to the Department's letter No. BI-9 (2)58, (Volume IV), dated the 1st September, 1962, on the subject noted above, in which you were requested *inter alia* to consider the desirability of withholding the salaries of the individual defaulting officers as a measure of punishment. In this connection, it is requested that instead of withholding salaries severe disciplinary action such as withholding increment and down grading may kindly be taken against the defaulting officers, under intimation to the Audit Offices and this Department.

Your obedient servant,

MUHAMMAD AMEER ALI

Deputy Secretary (FR) to Government, West Pakistan,
Finance Department.

No. SOFR-II/100 (4)63, dated Lahore, the 18th June, 1963

A COPY is forwarded to the—

- (1) Accountant-General, West Pakistan, Lahore;
 - (2) Director, Audit and Accounts (Works), West Pakistan, Lahore;
 - (3) Comptroller, Northern Area, West Pakistan, Peshawar;
 - (4) Comptroller, Southern Area, West Pakistan, Karachi;
- for information.

MUHAMMAD AMEER ALI

Deputy Secretary (FR) to Government of West Pakistan
Finance Department.

COPY forwarded to all Section Officers in the Finance Department.

To—

All Section Officers in the Finance Department

U. O. No. SOFR-II(4)63, dated 18th June, 1963.