

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

1959-60 AND THE AUDIT REPORTS

THEREON



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**REPORT OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS ON THE APPROPRIATION/  
COMMERCIAL AND FINANCE ACCOUNTS  
OF THE GOVERNMENT OF WEST PAKISTAN  
FOR THE YEAR 1959-60 AND THE AUDIT  
REPORTS THEREON**

*Chairman—*

Mr. Zain Noorani, M.P.A.

Composition  
of the  
Committee.

*Members—*

- (1) Chaudhri Muhammad Sarwar Khan, M.P.A.
- (2) Chaudhri Muhammad Nawaz, M.P.A.
- (3) Qazi Muhammad Azam Abbasi, M.P.A.
- (4) Rai Mansab Ali Khan Kharal, M.P.A.
- (5) Mr. Mahmood Azam Farooqi, M.P.A.
- (6) Syed Yusuf Ali Shah, M. P. A. (upto 20th June, 1966).
- (7) Mr. Malang Khan, M. P. A. (from 28th June, 1966).

II. 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, 1959-60 and the reports of the Comptroller and Auditor-General thereon were laid before the Provincial Assembly on 29th June, 1963. The Commercial Accounts of the Government for the same year and the Audit Report thereon were laid before the Assembly on 14th January, 1965.

Presentation  
of the  
Accounts to  
the Assem-  
bly.

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

Meetings of  
the Com-  
mittee.

- (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 undertakings 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 23 meetings held on 23rd, 24th, 25th and 26th November, 1965, 14th, 15th, 16th, 18th, 19th, 20th and 23rd April, 1966, 16th, 17th and 18th, May, 1966, 24th, 25th, 26th, 28th, 29th, 31st October, 1966 and 1st, 2nd and 3rd November, 1966.

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

(3) The Outgoing Standing Committee on Public Accounts had conducted the preliminary examination of the Appropriation and Commercial Accounts of the Government of West Pakistan for the year, 1959-60 and the Audit Reports thereon at its meetings held on 16th March, 1964 and 21st May, 1965. That Committee called from the Administrative Departments explanatory notes in respect of the matters which required elucidation.

(4) The present Committee devoted itself to the examination of the Administrative Secretaries and Heads of attached Departments or their representatives on the said matter. The Committee also considered those items relating to the Appropriation and Commercial Accounts for the years, 1957-58 and 1958-59, which were either considered by the Outgoing Committee and further details were asked for from the Departments concerned or for which no explanation was furnished to that Committee.

IV. (1) The West Pakistan Appropriation (Second) Ordinance, 1959, authorising payment and appropriation from and out of the Provincial Consolidated Fund for the Financial year, 1959-60 was promulgated on 30th June, 1959.

Aggregate grants and Appropriations with the aggregate disbursements.

(2) The West Pakistan Supplementary Appropriation Ordinance, 1960, authorising further payment and appropriation out of the Provincial Consolidated Fund for the period of twelve months ending on the 30th June, 1960, was promulgated on 18th June, 1960.

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

Serial No.	Particulars	Charged	Authorised	Total
		Rs.	Rs.	Rs.
1	The West Pakistan Appropriation (Second) Ordinance, 1959.	60,04,26,500	1,84,22,64,500	2,44,26,91,000
2	The West Pakistan Supplementary Appropriation Ordinance, 1960.	24,78,91,160	5,24,98,450	30,03,89,610
3	Net aggregate grants or Appropriations.	84,83,17,660	1,89,47,62,950	2,74,30,80,610
4	Surrenders or withdrawals with- in grants or appropriations. ..	7,52,17,920	26,31,44,373	33,83,62,293
5	Net modified grants or Appropriations.	77,30,99,740	1,63,16,18,577	2,40,47,18,317
6	Aggregate disbursements ..	83,93,48,047	1,72,59,83,632	2,56,53,31,679
7	Less (-) or more(+) than 3 above.	- 89,69,813	- 16,87,79,318	- 17,77,48,931
8	Percentage of 7 to 3 ...	- 1.06	- 8.90	- 6.48
9	Less (-) or more(+) than 5 above.	+ 6,62,48,307	+ 9,43,65,055	+ 16,06,13,362
10	Percentage of 9 to 5 ..	+ 8.57	+ 5.78	+ 6.68

V. (1) The broad heads to which special attention was paid by the Committee during the course of examination of these Accounts were :— General.

- (i) inaccurate budgetting necessitating surrenders and savings;
- (ii) excesses in expenditure over the budget provision ; 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 'A' to this report. The Committee, however, 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.

Savings.

VI. As shown in paragraphs 5 and 6 of the Appropriations Accounts under report, saving occurred in 34 out of 46 Voted Grants and in 6 out of 11 Charged Appropriations. During the preliminary examination held on 16th March, 1964, it was 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 explanations 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 :—

(1) *Page 3, para 5 read with Pages 150-152—Grant No.21—Health Services.*

*Final Grant—Rs. 4,83,30,100.*

*Saving—Rs. 58,76,718.*

In this case, out of the total saving of Rs. 58,76,718, a saving of Rs. 5,28,101 was due to non-purchase of articles for want of sanction.

The Department stated that they could trace the record relating to Rs. 1,32,000 only out of the amount of Rs. 5,28,101. This amount could not be spent because Liaquat Medical College could not purchase certain equipment for want of sanction of the Finance Department. The Department explained that on account of the reorganisation of the Department, the office of the Director of Health Services, West Pakistan, Lahore ceased to exist and the record of the Deputy Director, Hyderabad was distributed between Hyderabad and Khairpur and on account of the distribution of this record, some files were not traceable.

The Department could not produce any record in support of their contention in respect of sanction of Finance Department. The Committee feels that it was absolutely necessary for the Department to trace out all the record and to give the explanation for the saving of this large amount.

In the opinion of the Committee saving of this amount is a very serious matter. In a country like Pakistan where poverty and squalor are in abundance and the Government is doing its best to meet the medical requirements of the people, a large sum of money provided by the Government for purchase of medical equipment was not utilised and the equipment not procured. The surrender of such large amounts clearly proves that there is some-

thing wrong with the "health" of the Health Department and the necessary health service is not being provided to the people on the scale and in the manner envisaged by the Government.

The contention of the Department that sanction of the Finance Department was necessary is not correct from the point of view of the Committee because as pointed out by Finance Secretary, once the funds are provided by the Finance Department, the purchase of necessary material rests with the Department itself and, therefore, the responsibility for non-purchase must rest with the Administrative Department themselves.

(2) *Page 3, para. 5, read with page 194—Grant No. 36—Miscellaneous—Head "Grant-in-Aid to Flying Club"—Saving—Rs. 9,677.00.*

In this case there was a saving of Rs. 9,677 out of the final grant of Rs. 63,700. The explanation given by the Department for this saving was that the amount could not be drawn on account of the fact that the Accountant-General made certain objection on the bill preferred by the Deputy Commissioner's Office, Lahore and as the bill was received in the Deputy Commissioner's office at the close of year, it could not be submitted again. On examination of the relevant papers of Deputy Commissioner's Office, the Committee found that the bill had originally been submitted to the Accountant-General's Office on 18th June and objected to by that office on the 20th June. The file of the Deputy Commissioner's office contained a note, supposed to have been written by a clerk, claiming that the bill had been received back after 2 months. On further scrutiny, the Committee found that the bill was to be collected by the Deputy Commissioner's office against presentation of a token issued by the Accountant-General's Office. The Committee was thus convinced that this was a clear case of negligence on the part of the office of the Deputy Commissioner in not submitting the bill earlier than 18th June and after having submitted it not caring to collect it in time resulting in the lapse of the grant. The Committee recommends that suitable action may be taken against the officers who were responsible for the lapsing of the grant.

(3) *Page 3, Para 5 read with page 194-195—Grant No. 36—Miscellaneous.*

In this case the Basic Democracies, Social Welfare and Local Government Department could not furnish explanations for a saving of Rs. 3,25,947 due to the reason that the records having been transferred to a number of offices and organisations due to the wind-

ing up of the Panchayat Department were not available.

The Committee noted with alarm that time and again whenever the records of an office, section or Department that has been wound up, are required to be produced, the Department entrusted with the work formerly being carried out by the wound up organisation, has pleaded that the records are either untraceable or have been lost. This is a very inexcusable state of affairs. No civilised Government can function efficiently in this manner. It is evident that no attempt has been made and no fixed system or procedure has been adopted to preserve the records and files of the office that is being wound up and to entrust it to the succeeding department. In the opinion of the Committee this state of affairs must end and, therefore, the Committee suggests that the O&M wing of the Services and General Administration Department should at the earliest look into this aspect and devise a system whereby the records of the defunct Department or office are transferred in a proper and systematic manner and an inventory is made and a record kept of the files and papers transferred to each organisation so that whenever these papers are required they can easily be traced. The Committee desires that the Finance Department should take up this matter with the O&M wing of the Services and General Administration Department.

Excesses  
over  
Authorised  
Grants.

VII. As shown in paragraph 8 of the Appropriation Accounts, the following excesses over Authorised Grants require regularisation.

<i>Serial No.</i>	<i>Number and title of the Grants</i>	<i>Excesses</i>
		Rs.
1	Taxes on Income other than Corporation Tax.	62
2	6—Stamps ..	1,05,511
3	9—Registration ..	2,723
4	11—Irrigation Works ..	34,17,169
5	13—Irrigation Capital ..	30,83,588
6	19—Scientific and Miscellaneous Departments.	52,643

Serial No.	Number and title of the Grants	Excesses
7	23—Agriculture ..	24,98,290
8	Capital Outlay on Industrial Development.	592
9	Capital Outlay on Electricity Schemes	47
10	31—Civil Works Capital ..	2,23,36,162
11	33—Privy Purses, Superannuation Allowances and Pensions.	46,416

The Committee examined in detail, the explanations of the concerned Departments for these excesses. The Committee, however, could not complete the examination of the explanations in respect of excesses at Serial Nos. 4, 5 and 7 above. The position of these three excesses is as under :—

(i) *Grant No. 11—Irrigation Works—Excess Rs. 34,17,169*—This excess comprises of excesses under various heads. The Committee has found the explanation satisfactory except for the excess of Rs. 78,27,654 under head “18—Other Revenue Expenditure financed from ordinary Revenues—(a) Incharge of Public Works Officers” for which the Committee has directed the Department to submit explanation after they have got verified by the Audit, the figures in respect of each item in which there is excess expenditure.

(ii) *Grant No. 13—Irrigation Capital—Excess, Rs. 30,83,588*—This excess comprises of excess of Rs. 61 under head “19—Construction of Irrigation, Navigation Embankment and Drainage Works” and Rs. 2,92,05,539 under head “68—Construction of Irrigation, Navigation and Drainage Works (other than Guddu Barrage Project)” counterbalanced by the saving of Rs. 2,61,22,012 under “Guddu Barrage Project” subordinate to the same major head. As regards the excess of Rs. 61, no explanation has been furnished to the committee so far. Out of the excess of Rs. 2,92,05,539, reasons for the excess of Rs. 22,66,601 have been accepted by the Committee. The explanations for the remaining excess of Rs. 2,69,38,938 and the saving of Rs. 2,61,22,012 were

examined by the Committee but not being fully satisfied with these explanations, the Committee has asked the Department to furnish further information.

(iii) *Grant No. 23—Agriculture—Excess, Rs. 24,98,290—* The explanations submitted by the Department with regards to this excess were sought to be changed by it during examination by the Committee. There has of late been a tendency on the part of some Departments to submit explanations of some kind or the other when the working papers are submitted and then to seek to change them during the examination by the Committee.

This is most unsatisfactory. The Departments get sufficient time to submit the correct and proper explanations in writing when submitting the working papers. The purpose of the oral examination by the Committee is to enable the Departments to further elucidate and if necessary submit further details to satisfy the Committee regarding their explanations. If the Departments were to continue to materially change their explanations at the time of appearance before the Committee, the purpose of preparing working papers is set at naught and deprives the members of the Committee of the opportunity to examine and study the explanations submitted by the Department, and to be in a position to arrive at any positive conclusion.

Subject to the recommendations that the Committee may make after examining the explanations now submitted for the above-mentioned items and those hereinafter in this paragraph, the Committee recommends that necessary grants to regularise these excesses over voted grants may be made by the Governor under article 235 of the Constitution.

(1) *Page 5, Para. 8, read with page 146—Grant No. 19—Scientific and Miscellaneous Departments—O—Ecclesiastical—Excess Rs. 3,885—* In this case an expenditure of Rs. 3,885 was incurred in excess of the final grant. The Department explained that no budget estimates under this head were submitted by the Commissioner, Kalat Division in time with the result that the figures of the previous year had to be repeated while submitting budget estimates to Finance Department. The amount thus allocated in the budget was communicated to the

Commissioner concerned but even then he failed to ask for a supplementary grant.

Though the amount in question is nominal, yet the Committee considers it a serious matter as it involves the submission of budget estimates. The Committee, therefore, recommends that the official concerned should be warned not to allow such delays in future.

(2) *Page 5, Para. 8, read with page 175—Grant No. 31—Civil Works—Major Head—81—Capital Account of Civil Works outside the Revenue Accounts—Excess Rs. 2,31,40,911.*

The Committee considered in detail the explanation of the Communications and Works Department with regard to the excess expenditure, examined the documents and made the following observations :—

- (i) The Committee noted that officers of the Department had developed a habit of incurring expenditure on projects for which there was no provision or in many cases there was excess over the amount allocated. In some cases the excess expenditure was shown in the statements of excesses and surrenders submitted by the Communications and Works Department to the Finance Department and according to Communications and Works Department showing of excess in the said statements, was virtually a request for provision of additional funds which was not provided by the Finance Department. Communications and Works Department had to incur additional expenditure on the insistence of the Departments for which the jobs were being carried out by the Communications and Works Department and who subsequently granted *ex-post facto* sanction. The Committee strongly disapprove of this method and feel that this is aimed at side-stepping the required budgetary control. *Ex-post facto* sanction accorded by the relevant Department meant only administrative regularization and could by no means mean that the budgetary requirements had been complied with. The Committee draws the attention of the Government to the following



provisions of the Budget Manual and Financial Rules :—

PUNJAB BUDGET MANUAL

"13. 1. The statement of excesses and surrenders is intended solely for the purpose of fixing the revised estimate of expenditure of the year after examination of the actual expenditure to date and for indicating what the surrenders or excesses are likely to be over the grants sanctioned. It is not intended to be a means of making provision for additional funds the need for which may arise subsequent to the framing of the budget estimates. If a particular department anticipates an excess over its existing grant and reports the excess in its statement of excesses and surrenders it does not mean that the Department has thereby provided for the additional funds that it will require. The correct procedure for all Heads of Departments who anticipate expenditure in excess of their grants is to report the facts to the Finance Department through their administrative Departments. The Administrative Department will either propose a re-appropriation within the grant as a whole or prepare a supplementary demand for submission to the Legislative Assembly in accordance with the rules contained in Chapter 14".

PUNJAB FINANCIAL RULES

"17-20. The department responsible for providing the funds should intimate to the Department undertaking the work the sanctioned grant within which the expenditure is to be incurred, and the department incurring the expenditure should be made responsible for seeing not only that that grant is not exceeded, but also that any anticipated savings therein are notified and surrendered in time. In cases where an excess is anticipated, the department incurring the expenditure should be held responsible for seeing that the grant for the work is appropriately increased by the employing department before the excess is actually incurred" and wished that the Department should strictly adhere to these provisions.

(ii) In one of the items on which the excess expenditure was incurred the Committee observed that the Additional Chief Engineer, Peshawar, authorised his own Superintending Engineer to spend an excess amount of

Rs. 1,55,000 on the assumption that the same would be forthcoming in the next financial year. The Department tried to justify this by quoting from the Public Works Department Code, Para 5. 7. which reads as follows:—

“Pending receipt of intimation for the budget grant for the year, the Disbursing Officer in the Buildings and Roads Department are authorised to take work and incur expenditure subject to the following limits:—

- (i) All original works in progress at the end of the previous year may be continued.”

Contrary to what the Department wanted the Committee to believe, this para only means that the works in progress, which were not completed at the end of the year could be continued during the next year for a short period of say about two months, before the new budgetary provisions are communicated but authority has not been given to spend within the same year any amount in excess of the amount sanctioned. Hence the action of the Additional Chief Engineer in authorising excess expenditure to continue with the work in progress during the same year was highly irregular.

(iii) The Committee, therefore, recommends that necessary action should be taken against those officers, who were responsible either for negligence in not adhering to the budgetary provisions, or for incurring excess expenditure or for going beyond the scope of their powers.

VIII. The Committee examined the following excesses <sup>Excesses over charged Appropriations.</sup> over charged Appropriations shown at Page 5, para. 9 of the Appropriation Accounts.

Serial No.	Number and title of Appropriations	Excesses
		Rs.
1	1—Salt ..	1,41,863
2	11—Irrigation Works ..	29,37,439
3	14—General Administration ..	79,959
4	29—Civil Works ..	55,347
5	33—Privy Purses and Superannuation Allowances and Pensions	95,939
6	Public Debt (discharged) ..	3,57,91,830

The Committee recommends that necessary grants to regularise these excesses may be made by the Governor under Article 235 of the Constitution.

Financial  
Irregulari-  
ties, Losses  
etc.

IX. (1) Page 11, para. 17(a) 2(3)—*Excess payment*—  
In this case, overpayment of Rs. 3,071 was made to a contractor who had not carried out earth work in accordance with the terms and conditions of the agreement as he had omitted to execute the item relating to watering and levelling in one foot layer with roller. He was, however, allowed final payment at full tendered rates in spite of the defective work.

While considering this item on 19th and 20th April 1966, the Committee noted with alarm that while the written explanation given by the Department read as follows:—

“For the recovery of overpayment of Rs. 3,071 from Hakim Alim Sher, the then contractor (who no longer is working in the Department) the Executive Engineer, Mianwali Provincial Division has issued necessary notice to him to deposit the amount in question with the Sub-Divisional Officer, Mianwali immediately. The reply from the contractor is awaited.

The Superintending Engineer, Provincial Circle Sargodha has directed the Executive Engineer, Mianwali Provincial Division to contact the contractor and get the amount realised from him at personal level and after recovery the matter be got verified by Audit”.

the Secretary, Communications and Works Department wanted the Committee to accept the following explanation:—

“The case has been thoroughly examined in the Regional Office after obtaining the copies of the relevant record and the Agreement No. 21 of 1948-49 entered into by Hakim Alim Sher, Contractor. It has been found that the rate of Rs. 4 per cent cft. for earth work done by Hakim Alim Sher, Contractor, did not include the processes of watering and rolling. As laid down in P.W.D. Specifications No. 15-1, to which the rate related, the contractor was to ram and consolidate each

layer of earth before the next was laid. As such the payment made to the contractor was correct."

The two explanations were contrary to each other and it was, therefore, evident that one or the other of these two was incorrect. The Department pressed for the acceptance of the latter explanation. The Committee pointed out that the time given to the Department for explaining various items was not for sending any haphazard explanation but to furnish the Committee with a true and correct picture so as to enable the Committee to fulfill its duty in a proper manner; supplying of information or explanations which were not correct or not based on facts was a very serious matter and the Committee could not with equanimity put up with such attempts.

During the course of examination of the documents pertaining to this item the agreement for the work was produced. It contained an extra condition reading:—"Earth work will be done without watering and re-rolling". However, this condition which was handwritten had been scored out. Only one set of initials appeared against this correction. This opened up the avenue for speculation as to whether the initials were obtained at the time when the condition was added to the agreement or at the time of scoring it out. The Secretary, Communications and Works Department's contention was that the initials were obtained when the original condition was added and the scoring out had been done unauthorisedly by some one.

A letter from the Executive Engineer to the Superintending Engineer, a letter from the Superintending Engineer to the Chief Engineer and sanction of the Chief Engineer to the insertion of the additional condition by the contractor saying that rolling and watering would not be included in the rate quoted by the contractor were produced before the Committee and it was stated that the addition was made before the acceptance of the tender.

The Committee could not accept this statement in view of the fact that the ink used for scoring out as well as for the initials appeared to be the same, whereas the ink for writing down the original condition appeared to be different. Further, the ink for scoring out, the initials and a full signature of the officer appeared to be the same whereas the ink used for the addition of the additional condition was different.

Two things were evident from all this. One, that there could be no doubt that the agreement had been tampered with and, second, that agreements of this nature lying in the custody of the Department were not being kept in a safe place where they would not be tampered with. This led the Committee to the conclusion that given the occasion and the necessity, any person desiring to do so could easily tamper with the agreements lying in the custody of the Department.

The Audit pointed out at this stage that a copy of the agreement was not supplied to them at proper time. It was very difficult for the Committee which did not consist of hand-writing experts, either to accept the contention of the Department or to reject it. But it could safely be presumed that this matter required further inquiry and, as such, an opportunity was given to the Department to produce before the Committee more documents to substantiate their contention, and more particularly produce the tenders submitted by all contractors in original.

The Department produced the tender register and it was pointed out that in the register the entry contained the words "without watering and levelling" with respect to all these tenders. However on scrutiny of the register and particularly in view of the fact that these words were added at the bottom of entries of tender in two different inks, the Committee had no option but to consider that these registers had also probably been tampered with and under any circumstances could not be accepted as sufficient evidence of what the Department were trying to prove.

The Department once again failed to produce before the Committee all the original tenders as required by the Committee.

The Committee feels that the system prevailing for preserving the documents and agreements is far from satisfactory and needs revision. The Committee recommends that a joint Committee consisting of the officers of the Communications and Works Department and the Finance Department should be appointed to consider formulating a new system whereby maximum precaution could be taken to see that the Government documents were not tampered with.

(2) Page 12, Para. 17 (a) 2(8) — *Excess payment of Rs. 14,760*—In this case excess payment of Rs. 14,760 was made to various contractors for the supply of soling stone by omitting to make deduction for voids while taking the measurements of stock.

The Committee was informed that as a result of verification between the Audit and the Department the amount of the excess payment has increased from Rs. 14,759.50 to Rs. 15,367.69. The Department claimed to have recovered a sum of Rs. 9,278.19 as against Rs. 1,719.26, verified by the Audit. The Department further stated that Departmental action to fix responsibility and to charge-sheet the persons concerned was still in progress and that charge-sheet would be issued in the near future.

Audit pointed out that out of a sum of Rs. 9,278.19 which the Department claimed to have recovered, a sum of Rs. 3,180.64 had been shown as recovered by way of adjustment from the contractor's deposit, although the contractor had no deposit at his credit with the Department and the result of this adjustment would be that while on the one hand, the contractor's account under this head would be regularized, on the other hand under the deposit accounts his account would show minus Rs. 3,180.64.

The Committee feels that if the contention of the Audit is correct it is a very irregular method of effecting recovery and smells of collusion with the contractor. The Committee recommends that the Department should not only ensure that such measure is not resorted to in future but should also take the severest action against the officials responsible for effecting recovery by this method.

(3) *Page 28, para. 17 (a) 21—Additional payment amounting to Rs. 9,092.* In this case, payment of Rs. 9,092 was made to a contractor, for removal of rust from steel used in R.C.C. works. As the removal of and clearance of rust from steel was the contractor's responsibility and was included in the rate for R.C.C. work, the additional payment on this account was not justified.

The Department informed the Committee that the matter of recovery from the contractor was subjudice and that the responsibility for the payment had been fixed and charge-sheets were being issued.

(4) *Page 31, para. 17 (a) 23 (11)—Shortage of Stores—*In this case one Overseer was transferred to another Division but he did not hand over charge before leaving the Division. Subsequently shortage of stores worth Rs. 8,192 was noticed in the store. The Committee was informed that the total amount had since been recovered.

It was found that no disciplinary action was taken



against the Overseer who had since been promoted as Sub-Divisional Officer.

The Committee noticed with great concern that the Department was not pursuing the cases of shortages seriously and the officials responsible for many shortages were being given normal promotions without any blemish to their record. The Committee is of the view that in such cases disciplinary action should be taken against the higher officials who fail to take proper action against the officials responsible for shortages and other irregularities and in the present case desires that action should be taken against the officers who failed to take any action against the Overseer for not handing over charge.

(5) *Page 33, Para. 17 (a) 25 (1)—Undue financial aid to the Contractor*—In this case M.S. Sheets were issued to a Contractor for use on works and the recovery was to be made at the rate of Rs. 882 per ton but recovery from the Contractor had been made at Rs. 710 per ton which resulted in less recovery of Rs. 5,180. The Department explained that realization at the cost of Rs. 710 per ton instead of the departmental rate of Rs. 882 was done because the steel was at that time a controlled item and the control rate for the same was Rs. 710 per ton and according to the Government notification charging amount in excess of controlled rate was prohibited. The WAPDA accorded sanction for writing off the difference on 14th May, 1966.

The Committee is of the opinion that there is sufficient ground to believe that the Contractor was given undue financial aid in as much as the M.S. Sheets were supplied to him at rates lower than the issue rates. This was contrary to the provisions contained in rule 7.44 of the D.F.R. which reads as under:—

“The rate charged should be the market rate prevailing at the time of the supply or the issue rate, whichever may be greater, and should include the storage charges”

The Committee feels that irrespective of the fact that the amount had been written off, the officer concerned who was responsible for showing favourable treatment to the contractor, should have been asked to explain his position and necessary departmental action should have been taken against him.

(6) *Page 34, para. 17 (a) 26(1)(i)—Infructuous Expenditure*—In this case, certain equipment required in

connection with gates and gearing were ordered on Government Workshop. On receipt of the machinery, an additional sum of Rs. 3,38,319 was spent on rectifying certain defects in manufacture and for providing a number of missing items in the equipment although the Government Workshop was supposed to supply the equipment free of any defect and complete in all respects. Thus the additional expenditure was a loss to the Department.

The Department explained that the fabrication of gates and gearing was entrusted to a Firm named M/s. Brown and Roots. The Department according to their own convenience provided them with a Workshop site for fabrication at Bhalwal. After the fabrication of the structure the material was carried to Taunsa Barrage at the Department's expenses. While carrying the heavy pieces of gates and superstructure it was experienced that these could not be carried in assembled condition and, therefore, had to be carried to site in pieces which the wagons could accommodate. Naturally when material is carried from one place to another, some damage is bound to be caused due to the processes of loading and unloading and transit and it should be the normal duty of the Supplier—Contractor to reassemble the material and remove the defects caused in transit.

The Committee is not fully satisfied with the explanations furnished by the Department and recommends that a joint inquiry into this matter should be conducted by an officer each of the Administrative Department, the Finance Department and the Audit to bring more facts to light.

(7) *Page 36, Para. 17 (a) 31—Non-recovery of Government Revenues*—In this case an amount of Rs. 47,839 representing revenue accruing from the sale of fishing rights was out-standing against various lessees from 1957-58 to 1960-61. A sum of Rs. 10,129 had been recovered and verified by Audit. The balance amount of Rs. 37,710 was proposed to be written off.

The reasons furnished for the writing off was that Standing water in river pockets which were auctioned was essential for breeding fish which developes during abkalan and gives good results to the contractors. In this case however immediately after the auction, the Guddu Barrage Administration, with the approval of the Indus River Commission, closed up two outlets which brought River water into the pockets which were auctioned. It was anticipated that the work of excavating the Feeder would be started then and letting in of water would not

interfere with it. But the Marion Drag Line got ready late and could not cross Unher Canal in time. This closing of pockets at the initial stage gave a great set back to fishing in the area. No breeding fish also could be utilised with the result that the contractors suffered a loss to the proportion of 80 per cent due to the fact that fishing was allowed to be started late by about 3 months and 5 days. The Contractor thus applied for cancellation of the bid money on the plea that the bund sluices were closed by the Administration and, therefore, early fish could not be had in the compartments. Owing to these reasons they did not sign the agreement pending decision on appeal, neither balance amount was recovered nor the Contractors were allowed to fish. The Superintending Engineer, however, on 5th November, 1960 rejected the appeal of the Contractors and remaining amount was ordered to be recovered from them. As stated above, there was no agreement signed by the Contractors. The various efforts made by the concerned Executive Engineer and Sub-Divisional Officer could not bring any fruitful results in getting the balance amount recovered.

(8) *Page 36, Para. 17 (a) 32—Extra Expenditure to Government*—In this case, a Contractor failed to complete a work during the stipulated period of completion even after the grant of extension of one month to him. The Department thus gave the remaining portion of work costing Rs. 71,613 to another Contractor at a higher rate resulting in an extra expenditure of Rs. 3,580. The first contractor who was liable to forfeit his security deposit or to bear the additional expenditure of Rs. 3,580 incurred by the Government in getting the work completed through the second contractor under the terms of the agreement executed with him was, however, let off without any charge.

The Department explained that the work of constructing stone pitching along S.M. Bund at Hala old and Khandu let out to Mr. Makhdoom Nawaz, Contractor at 5 per cent above estimated rate was started on 17th January, 1956, and was required to be completed by 16th May, 1956. Pitching work to be done by the contractor was to follow earth work required to be completed by departmental machines. Departmental machines started work very late and as such the contractor had to be allowed extensions upto 31st January, 1957, but he could not complete the work even upto that date. In July, 1957, the remaining work was let out to another contractor Mr. Muhammad Nazim at 10 per cent above estimated rates and at the same time the first contractor was i

formed that the work was being let out at his risk and cost and that penalty under clause 2 of the contract was being kept alive.

In January, 1958, the first contractor Mr. Makhdoom Nawaz applied for finalization of contract and payment of his security deposit and other dues. Divisional office record on this subject, however, indicated that as a result of some discussion between the then Executive Engineer, Hala Division and the then Superintending Engineer, Rohri Canal Circle, the case was finalised and the Security deposit and other dues of the contractor were paid to him without imposing any penalty on him. Thus the Contractors claims were finally settled without imposing any penalty on him.

The then Superintending Engineer, Rohri Canal Circle was asked to explain the circumstances under which the contractor was not penalized due to his failure to complete the work in time. He held that the then Executive Engineer, Hala Division responsible for not penalizing the contractor but that since he had retired from Government service with effect from 2nd October, 1959, no action could be taken against him. A sum of Rs. 1,694 has, however, been recovered and there is a proposal to write off of the remaining amount of Rs. 1,868. The case of condonation of irregularity was under consideration of Government.

The Audit Department is taking disciplinary action against the then Divisional Accountant of the Hala Division who failed to point out to the Divisional Officer that the contractor had not fulfilled the conditions of the contract.

(9) *Page 40, Para 5(i)—Un-necessary retention of Government money in hand*—In this case out of total Development Fund of rupees ten Lakhs allocated for Development Schemes, a sum of Rs. 50,000 was drawn as a permanent special advance in August, 1958. Out of this advance a sum of Rs. 29,900 was advanced for the execution of certain petty works and the advance was recouped subsequently. Retention of such a heavy amount as a permanent special advance was irregular. According to the rules the amount should have been credited to the Fund and redrawn if and when actually required for disbursement.

The contention of the Department is that the money was kept in the National Bank of Pakistan, Abbotabad, in the personal account of Deputy Commissioner, Hazara, to incur the expenditure on emergencies and for execution

of the schemes of important nature in anticipation of the Divisional Board's approval because the weather conditions of the area were of extreme nature and the work in this area was only possible during a few months of summer season. It was, therefore, not desirable to waste time in observing formalities in obtaining approval of the Divisional Development Board for the schemes of local importance and urgent nature. The Committee was informed that this was the practice, although irregular throughout the province.

The Committee is of the view that the placing of funds in the personal account of the Deputy Commissioner is irregular because there is every possibility of misappropriation in such cases and Government money is blocked in this way. The Committee recommends that the Revenue Department should take up this matter with the Finance Department and adopt some way out to provide funds to Deputy Commissioners for expenditure on emergencies and to stop the practice of allowing withdrawal of amount and keeping it in the account of the Deputy Commissioners irregularly.

(10) *Page 47, Para. 30-Misappropriation of Government money*—A case of embezzlement of Rs. 44,167.00 against an Assistant in the office of the Advocate-General, West Pakistan was reported to the Police in February, 1960. Subsequently the total amount misappropriated by him worked out to Rs. 64,949.00 the amount represented mostly the money received by the Assistant under the direction of the Advocate-General, in cash from the various Departments of the Government for filing appeals in the High Court. This procedure was not warranted by law and it had been repeatedly pointed out by the Accountant-General, West Pakistan that the rules were being by-passed but the objection of the Accountant-General was not given due attention. The official subsequently committed suicide. The misappropriation was facilitated due to lack of supervision and the non-observance of Rules as printed receipts were not issued in acknowledgement of the amounts received as required under Rules nor the same were accounted for in the cash book. The Committee was informed that no action was taken against that Advocate-General who had authorised the system of accepting money in cash and never bothered to check up and supervise as to whether the money was being properly utilized. The Committee feels it regrettable that it was generally the small fry on whom responsibility is placed and the higher ups are shielded.

The Committee learnt with dismay that the system of depositing the money in cash for court fees, etc., is still continuing. The Committee recommends that the Government should take remedial measures to put an end to this system.

(11) *Page 53-V—Schemes of State Trading*—The Consolidated Running Accounts of the Food Grains Supply Scheme for the year, 1955-56, 1956-57, 1957-58, 1958-59 and 1959-60 had not been furnished by the Food Department to the Audit.

The contention of the Department was that they has not been able to reconcile their figures with the figures maintained by the Audit due to inherent difficulties in the procedure. The Committee recommends that to overcome the difficulties obtaining at present in the existing form in which running accounts were being kept, it would be advisable to discontinue this system and to close the accounts at the end of each year.

(12) *Page 118, Para. 7—Embezzlement of Government money*—An amount of Rs. 19,704 out of the amount collected as fine in a court was less deposited into Government accounts and forged Bank-receipts were posted in the Fine Register. The official responsible for this embezzlement was tried in a court of Law and was convicted by the lower court but was acquitted by the Appellate Court.

The Committee recommends that some method should be evolved for proper collection of fines imposed by the Presiding Courts so that the fine is not collected in cash in the Courts and the chances of embezzlement by the staff of the Courts are eliminated.

(13) *Page 152—Credit Sales to Private persons-outstanding dues*—In this case the Audit Department had reported that credit sales of Glycerinated Vaccine Lymph had been made to private persons and Rs. 43,197, outstanding against private parties and Government Departments had not been recovered. It had been further reported that supplies to Karachi and former Sind Area were made at Rs. 3.12 per gram as against Re. 1.00 per gram charged for the supplies made in other parts of West Pakistan.

The explanation of the Department was that credit sales were not made to private persons but were made to local bodies; these local bodies being outside the Departments of Government were called private persons. As regards the outstanding dues, the Department stated



vigorous efforts were being made to realise the cost of vaccine.

When questioned as to why the Vaccine Lymph had been supplied to Karachi and former Sind at a rate of Rs. 3.12 per gram as against Re. 1.00 per gram supplied to the rest of the Province, the Department could not furnish any satisfactory reply.

**The Committee wishes to record its deep shock at this discrimination practised by the Department and impresses on the Department that at least in matters of supplying medicines, vaccines, etc., they should remember that all human beings created by God are equal and should be treated alike.**

(14) *Page 168, Para 12 Under Grant No. 29 Civil Works—Shortage of Stores*—A Sub-Division was transferred and amalgamated with another Division on 28th February 1957. A shortage of stores amounting to Rs. 25,205.00, was noticed and pointed out by the successor Division after 2 months of transfer of the Sub-Division. A detailed report of the shortage was submitted by the Executive Engineer in March, 1960. In this report the Executive Engineer had recommended to the Superintending Engineer that the amount of the shortage should be recovered from the Sub-Divisional Officers and Overseers who remained incharge of the stores upto 28th February, 1957. During the period upto the date on which the shortage was noticed no physical verification of stores was done either by the Sub-Divisional Officer or the Overseers at the prescribed interval of one year and 6 months respectively. The shortage was facilitated due to non-observance of rules.

The Committee was informed that the responsibility for the loss has been fixed and further action would be taken.

The Committee recommends that Government should take steps to ensure that physical verification of the stores is done at the prescribed interval and Officers failing to do so should be dealt with severely.

(15) *Page 181, Para No. 9, Grant No 31—Civil Works—Non-recovery of cost of Stores sold on credit Rs. 12,529*—Stores worth Rs. 12,529 were alleged to have been sold on credit to an Executive Engineer in the year 1952-53 and 1953-54. The sale was made without obtaining proper acknowledgements from the purchaser in token of his having received the material. It was pointed out by Audit in 1955 and the Department was asked to recover the amount from the officer concerned. The officer, however, refused to pay the amount on the plea that he did

not receive the material alleged to have been sold to him. As the Department concerned failed to produce the necessary acknowledgements for the material the liability against the officer could not be proved. However, out of the total recoverable amount of Rs. 12,529.00 the officer had deposited a sum of Rs. 4,154 in April, 1961, which he had accepted of his own accord but he was not prepared to pay the balance.

X. (1) The amount of Capital invested by the Government of West Pakistan in various schemes during the year 1959-60 and to end of the year 1959-60 are given below:—

Government  
Investments

Name of Industries	Amount invested during the year 1959-60	Up-to-date amount invested
	Rs.	Rs.
(1) Provincial Road Transport Board.	19,26,880	3,81,18,532
(2) Small Scale Cottage Industries Corporation.	5,10,000	15,20,000
(3) Panjnad Sugar Mills Ltd.	..	17,50,000
(4) Charsadda Sugar Mills Ltd.	..	8,00,000
(5) Rural Credit Societies ..	10,00,000	25,00,000
(6) Agricultural Bank of Pakistan.	..	50,00,000
(7) Khairpur Agencies Limited.	12,000	12,000
Total ..	34,48,880	4,97,00,532

(2) The Committee called for the details of the profits earned by Government on investment in these undertakings together with a statement as to 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 pro-

ceedings. Two cases which require the attention of the Government are given below:—

### **Charsadda Sugar Mills Ltd.**

The Government investment in this enterprise was Rs. 8,00,000 upto 30th June, 1960. The previous Standing Committee on Public Accounts had considered this item during the examination of the Appropriation Accounts for the year 1958-59. That Committee was informed that the Government is getting 6% by way of guaranteed dividend from the company. This Committee is of the view, that the main purpose of Government's investment in private industries is to help to set it on its feet and once this object has been achieved the Government should withdraw its investment provided this does not give a set back to the industry concerned.

In the present case the Committee feels that the Government should have disinvested the amount earlier when the opportunity had arisen and the market was favourable. The Committee further recommends to the Government to consider this when proper opportunity arises in the future.

### **Khairpur Agencies Ltd.**

The Committee in the first instance was informed that the Government investment in the Share Capital of Khairpur Agencies Limited was Rs. 10,000 and not Rs. 12,000 in the form of 625 partly paid up shares of the value of Rs. 100 each; that these shares were sold by the Government to the post War Services Reconstruction Fund at par alongwith the shares in the Khairpur Textile Mills Limited, under an agreement dated 25th July, 1961 and that the value of shares viz. Rs. 10,000 was received and credited to Government account on 25th July 1961. The Committee was further informed that now there is no Government investment in Khairpur Agencies Limited. The Committee asked the Accountant-General to verify it. Later the Accountant-General furnished details of Rs. 12,000 which had been confirmed by the Industries Department earlier. The Committee noted that the difference was due to certain adjustments to be carried out and directed the Department to take necessary action in the matter.

During the course of discussion the Committee came to know that Government investment amounts to

over a crore of rupees in such enterprises. The Committee further came to know that for this particular period no return had been received by Government but subsequent to this, Government had received over a lakh of rupees by way of dividend.

**The Committee is of the opinion that it is not a very healthy practice that managing agencies of industries, where the total investment amounts to over a crore of rupees, is given to private commercial groups with the approval of the Government, particularly in cases where the Government did not have majority shares. The Committee recommends that Government should either hand over such Industries to organizations like Pakistan Industrial Development Corporation or manage it departmentally.**

XI. (1) Out of the 19 organizations whose accounts were required to be maintained in Commercial form Commercial Accounts of the Government of West Pakistan. accounts of the following four organisations only were prepared, audited and incorporated in the compilation "Government of West Pakistan, Commercial Accounts for 1959-60 and Audit Report thereon":—

- (i) Government Demonstration Weaving Factory, Shahdara.
- (ii) Government Tannery, Shahdara (In Liquidation).
- (iii) Government Jallo Rosin and Turpentine Factory, Lahore.
- (iv) Provincial Stationery Office, Lahore.

The Accounts of the remaining 15 organisations were not prepared due to various reasons mentioned in para 18 of the Accounts.

(2) One of the reasons for the non-preparation or the delay in the preparation of accounts of the organisations whose records are available was that the Departments did not have the staff conversant with the preparation of accounts in commercial form. The Departments concerned have now either obtained the services of persons trained in the preparation of commercial accounts or deputed officials from their Department for this training. Some of the accounts have since been prepared. The Committee hopes that the preparation of accounts will not be delayed in future.

(3) The Accounts of Shisham Exploitation Scheme Mardan for the period from 16th December, 1959 to 30th June, 1960 have not been prepared as the Scheme

was transferred from Agriculture Department to Irrigation and Power Department from 16th December, 1959. The records pertaining to the scheme have been distributed between the Forest Department and the Irrigation Department and, therefore, none of the Departments without the assistance of the other is able to prepare the accounts for the period. The Departments have not been able to get together and prepare the accounts so far. The committee has come to the conclusion that the only solution at this stage was that the Finance Department should take interest in the matter and get the two Departments together for the preparation of the accounts.

(4) The accounts of Cold Storage at Baghbanpura Lahore and Sialkot for the years 1951-52 onwards were not prepared by the Department and these institutions were transferred to private persons on 14th February, 1954. The Department expressed its inability to prepare accounts as it ceased to exercise any control over them. The Committee feels that the proper thing for the Department is to ask for condonation from the Government if it were not really possible to prepare the accounts.

(5) This compilation also contains 30 Accounts of the various units of the West Pakistan Road Transport Board for the period from 15th October, 1957 to 31st March, 1958 and for the year 1958-59 and 1959-60, whose audit was assumed by the Comptroller and Auditor-General of Pakistan on a consent basis.

(6) 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 similar compilation, for 1957-58 and 1958-59, the examination of which could not be finalized before submission of Committee's report to the Assembly in respect of these years. The Committee would like to mention the following irregularities.

(i) *Page 19, Para 22—The Failure of a project resulting in a loss of Rs. 40,32,955*—The former Government of Khairpur State established a factory at Khairpur during the year 1954 to redry tobacco for export to foreign market to earn foreign exchange. The Government of West Pakistan after a detailed study of the project found that the factory was established without ascertaining basic soundness of the project and its working on sound commercial lines. Further it was noticed

that the place for establishing the tobacco factory at Khairpur was unsuitable as no tobacco was grown in Khairpur State and all tobacco was purchased from a far off place like Mardan District causing a lot of freight charges and damage in transit. The tobacco purchased was found to have been paid for at exorbitant rates and no proper storage arrangement existed for the tobacco causing lot of damage to the stocks. The capacity of the plant was much in excess of the quantity of tobacco purchased resulting in heavy expenditure on the running of the factory. A huge amount was spent on the training of the staff and advertisements for the disposal of the redried tobacco without any fruitful result. The management of the factory and the maintenance of accounts were found to be in a deplorable condition. The Government of West Pakistan accordingly decided in December, 1956 to close down the factory and dispose off its assets to save Government from further losses which were inevitable due to the factors stated above. The loss of Rs. 40,32,955 was thus sustained by the factory which the Department propose to write off on preparation of the final liquidation accounts.

**The Committee found that it was one of the most scandalous cases where an industry costing the exchequer a good sum of money was set up without a proper feasibility report being obtained and then when the whole project failed proper action was not taken by the Department to recover even a part of the loss which the province had to bear.**

All that the Committee at this stage could do is to suggest that no further time should be allowed to lapse and whatever action was to be taken should be taken quickly and the loss assessed and the necessary orders issued for writing off of the amount.

(ii) *Page 22, Para 24—Treasury Challans Missing (Rs. 24,437)*—During the audit of accounts of the Sales and Display Depot, Lahore it was observed that a sum of Rs. 24,437 was shown as deposited with the State Bank of Pakistan during the period from 23rd October, 1959 to 3rd June, 1960. However, the Treasury Challans in support of these deposits with the Bank could not be produced to Audit when called for.

The Committee was informed that a case has been registered with the Senior Superintendent of Police on 29th July, 1966 after getting verification of non-deposit from the Treasury Officer. The Committee was further informed that the sale proceeds are now deposited with

the Bank on the next day and deposits are checked by the Officer-in-charge of the Centre and counter checked by the Controlling Officer.

**The Committee feels that some body must be responsible for this inordinate delay of five years in reporting the matter to the Police. The Committee recommends that responsibility for this delay should be fixed and suitable action must be taken against the official concerned.**

(iii) *Page 23, Para. 28—Non-accountal of Petrol, Oil and Lubricants worth Rs. 7,282*—In an Agricultural Engineering Workshop five hundred and forty-four gallons of Mobil Oil, 1,668 Gallons of Diesel Oil, 820 lbs. of grease and 695 Gallons of Petrol costing Rs. 6,233 were issued from the stores during the period from December, 1959 to June, 1962 for consumption in tractors. The log books of the tractors in question did not, however, indicate the receipt and consumption of the above stores nor the fact could be verified from the weekly reports of the field staff. In another Workshop similar stores worth Rs. 1,049 were issued but were not accounted for.

The Committee was informed that the Agricultural Engineer, Tando Jam has since conducted the inquiry and fixed the responsibility of shortage on the persons at fault and action to recover the amount from the defaulters was in hand. To avoid recurrence, remedial steps have also been taken by the Workshop.

From the oral inquiry the Committee found that the inquiry had not been properly conducted. The responsibility had been fixed only on some labourers who were no more working with them and no inquiry had been made against any supervisory staff. This is in conformity with the tendency prevailant in some Departments to fix the responsibility on labourers and such other low paid employees while the supervisory staff is either shielded or exonerated.

The Committee recommends that a fresh inquiry should be held and the supervisory staff, incharge of these vehicles, should be taken to task.

(iv) *Page 23, Para. 29—Over-payment of Rs. 4,703*—In a workshop bills amounting to Rs. 2,20,078 were received from a firm during the period from 24th July, 1959 to 18th June, 1960 on account of supply of tractor parts. The amount was paid to the firm on 27th June, 1960 without verifying whether the goods



had been received completely. A shortage of parts valuing Rs. 4,703 was detected two days after the payment of the bills, viz on 29th and 30th June, 1960 but no action had been taken by the Department for the recovery of the amount until, it was pointed out by Audit in September, 1962. The amount was recovered in January, 1963 from the dues of the firm.

The Committee was informed that the inquiry held in this matter revealed that the firm who had admitted their fault of making short supply was expected to issue credit note in routine matter but it was not done so by them. The official did not remain silent with any bad motive but the rush of work involved made the official to lose sight of the item and he did not pursue it; hence it remained un-recovered for some time. There was no foul play involved and as soon as the firm was apprised of the position they refunded the amount.

The Committee feels that although the recovery has been made, what remains to be seen is whether the Department on its own moved for obtaining the recovery when it was discovered that payment had been made without receipt of goods. If the Department did not do so until it was pointed out by the Audit, surely the official who kept quite even after detecting that an over-payment had been made should be held responsible for this lapse. The Committee recommends that the Department should collect the necessary record to verify whether the official concerned had moved for the recovery of the over-payment as soon as it had been detected and if that was not the case, take suitable action against the official at fault.

(v) *Page 27-28, Para. 40 -Transfer of expenditure from Commercial to Education side*—In this case an expenditure of Rs. 4,19,822 was transferred from the Commercial to the Education side and a profit of Rs. 3,66,581 was thus shown. But for this transfer of expenditure, the profit would not have been there and the books would have shown a loss of Rs. 53,241.

The Outgoing Standing Committee had recommended on 11th August, 1964 that the justification of the transfer of expenditure from Commercial to Education side should be looked into thoroughly. The matter was examined by a Departmental Committee constituted by the Finance Department. That Committee recommended that the Budget should be prepared separately for the Education side and the Commercial side. This recommendation has been accepted by Government and in

future separate accounts will be maintained for Education side like Government Accounts and for factory, Commercial Accounts.

(vi) Page 225, Para. 210—*Infructuous expenditure of Rs. 35,909 on the repairs and re-conditioning of buses*—Audit reported that in Rawalpindi Unit of the West Pakistan Road Transport Board, a sum of Rs. 30,526 was spent on the repairs and reconditioning of 33 buses after these had been taken off road and finally declared unserviceable. In another case repairs to five buses involving an expenditure of Rs. 5,383 were done during the months in which those buses finally went off road. It was explained by the Chairman, Road Transport Corporation that in view of the dearth of buses expenditure of about 1,000 only per bus was incurred to make them road worthy but this object could not be achieved. Thus the expenditure on repairs of buses and their reconditioning after they had been declared unserviceable proved infructuous.

The Chairman, Road Transport Corporation stated that repairs and reconditioning had to be done in large numbers due to shifting of the Capital to Rawalpindi coupled with starting of huge constructions in Islamabad on account of which there was heavy demand for buses otherwise normally this would have not been done.

Finance  
Accounts.

XII. The Committee examined the various sections of the Finance Accounts. The revenue position of the Government during the year 1959-60 was satisfactory. The actual revenue receipts amounted to Rs. 80.49 lacs against the original Budget of Rs. 77.40 lacs.

The actual revenue expenditure was Rs. 65.43 lacs against the original budget of Rs. 72.49 lacs. These figures reveal increase in revenue of Rs. 3.09 lacs whereas the expenditure was less by Rs. 7.06 lacs with the result that the revenue surplus of Rs. 4.91 lacs forecast in the original budget was raised to a surplus of Rs. 15.06 lacs.

(2) *Debt Position*—The public debt of the undivided Punjab at the time of partition was as follows:—

(In lacs of rupees)

(i) Debt due to the Government of India.	..	..
(ii) Consolidated Debt	..	7.70
(b) Development Loan	..	4.69
Total	..	12.39

(ii) Loan raised in the Open Market	19,09
Interest up to the date of partition	33
Total .. ..	<u>31,81</u>

The above debt has not yet been allocated between the Punjab (P) and the Punjab (I) Governments. Pending settlement between the two Governments the initial liability to discharge debt obligations (including the payment of interest) is that of the Punjab (Pakistan Government),—*vide* Article 9 of the Indian Independence (Rights, Property and Liabilities) Order, 1947. During the year 1959-60, the debt discharged out of the loans raised in the market amounted to Rs. 3,32 lacs. No repayment to the Government of Pakistan towards the Principal of the consolidated debt (loans from the Central Government) was made during the year under report.

The debt position of the Government of West Pakistan as it stood at the beginning and close of the year, 1959-60, is summarised in the statement below:—

Nature of debt	AMOUNT OF DEBT		
	On 1-7-1959	On 30-6-1960	Difference (+) (—)
	Rs.	Rs.	Rs.
(i) Permanent debt ..	16,11,58	21,13,55	(+) 5,01,97
(ii) Floating Debt ..	18,00,00	11,92,00	(—) 6,08,00
(iii) Loans from the Central Government	1,57,20,31	1,77,97,78	(+) 20,77,47
(iv) Unfunded Debt ..	7,83,26	8,96,48	(+) 1,13,22
Gross Total Rupee Debt ..	1,99,15,15	2,19,99,81	(+) 20,84,66
Deduct—Outstanding Loans and Advances made by the Government.	26,81,23	44,33,28	(+) 17,52,05
Net debt ..	1,72,33,92	1,75,66,53	(+) 3,32,61

(i) *Permanent Debt*—4% West Pakistan Loan 1966 was raised in the open market during the year and subscriptions received were Rs. 5,04,00 (thousands). The subscription towards other loans amounted to Rs. 3,30,04 (thousands) raising the total subscription to Rs. 8,34,04 (thousands). The total debt discharged during the year amounted to Rs. 3,32,07 (thousands).

(ii) *Floating Debt*—The balance of Rs. 11,92,00 on the 30th June, 1960 represents "Ways and Means Advances" left unpaid at the close of the year.

(iii) *Loans from the Central Government*—The balance on 30th June, 1960 represents outstanding loans of Rs. 1,97,18,42 (thousands) taken from the Government of Pakistan reduced by Rs. 19,20,64 (thousands) due to re-payment till the end of the year 1959-60. The loans taken during the year 1959-60 from the Government of Pakistan amounted to Rs. 20,91,82 (thousands) and repayments amounted to Rs. 14,35 (thousands).

(iv) *Unfunded Debt*—The increase of Rs. 1,13,22 (thousands) represents the excess of deposits over withdrawals during the year.

(3) *Loans and Advances*—The increase of Rs. 17,52,05 (thousands) is mainly due to grant of loan to Water and Power Development Authority and Advances to cultivators, etc.

Outstanding  
items of the  
Appropriation/Commercial  
Accounts for the year  
1957-58 and  
1958-59.

XIII. The Committee considered the outstanding items of the Appropriation/Commercial Accounts of the Government of West Pakistan for the years 1957-58 and 1958-59 and Audit Reports thereon which could not be finalized before submission of the Reports of those accounts to Assembly. The Committee would like to bring the following three cases to the notice of the legislature and the Government:—

(1) *Page 24, Para. 17 (a) 17 (3) of the Appropriation Accounts for 1957-58—Non-recovery of Government dues amounting to Rs. 91,729*—This amount was due from Kazi Fazlullah, Mr. M. A. Khuhro and Pir Ali Muhammad Rashdi, on account of rent of houses, furniture and other services rendered to them for the period the occupied government residential houses even after the had ceased to be Ministers.

Substantial recoveries had been made from Kazi Fazlullah and only a small amount remains to be recovered

Mr. Khuhro refused to make payment and litigation started for the recovery of Rs. 56,000. Finally the case went upto the High Court where it was amicably settled by consent of both the parties for Rs. 27,445. The contention of the Department was that the amount due from Mr. Khuhro was recalculated.

The matter had not been referred to the Finance Department before the Communications and Works Department agreed to the lower amount; neither the amount arrived at by the two parties was on the basis of any clear formula nor as a result of arbitration. The very fact that the Department after having prepared its bills for Rs. 56,000 and pressed for its recoveries even to the extent of going to the Court shows that it cannot have any reasonable excuse for the unnecessary and unexplained haste in arriving at a compromise without even referring it to the Finance Department. Bills for occupying these houses were sent to Kazi Fazlullah and Mr. M. A. Khuhro at more or less the same time. Obviously, both the bills must have been prepared on the same basis and same rates. While Kazi Fazlullah pays up the money at the original rates calculated by the Department, Mr. Khuhro refuses to pay till he is taken to Court and there the Department readily agree to accept Rs. 27,445 which comes to slightly less than half of the original amount. The Committee feels that in view of the Department having agreed to this amount in Court resulting in a consent judgment nothing can be done now and the balance of Rs. 28,555 should be written off.

An interesting aspect of this settlement is that if the Department is now convinced that the Bills had been wrongly prepared and they had been overcharging, then obviously even Kazi Fazlullah had been overcharged. It is an irony of fate that he should suffer for the crime of responding to the demand of the Department and settling the Bill on the assumption that these had been properly prepared.

As regards Rs. 8,337 due from Pir Ali Muhammad Rashdi, the Committee was informed that Mr. Rashdi claimed that this amount was to be recovered from the Central Government. The Committee recommends that the Department should pursue this matter with vigour and recover the amount as the case may be either from Mr. Rashid or from the Central Government.

(2) Page 12, Para. 17 (a) 3 (5) of the *Appropriation Accounts for 1958-59—Shortage of Material worth Rs. 69,916.18—Stock material worth Rs. 69,916.18*

were found short against an Assistant Engineer at the time of his handing over charge of the sub-division. Responsibility for the shortage of Rs. 36, 503 has been fixed against an Assistant Engineer Mr. P. A. Wadwani who retired in April, 1959 but his G.P. Fund, gratuity and pension has been withheld till he makes good the loss. As regards the remaining shortage of Rs. 33,413.18, the Department is still in the process of fixing responsibility. The Committee recommends that Government should take effective steps to make good this loss from the official responsible.

(3) Page 12, Paragraph 17 (a) 3 (6) of the Appropriation Accounts of 1958-59—*Shortage of Stores worth Rs. 63,507*—Shortage of stores aggregating to Rs. 63,507.14 was discovered as a result of physical verification during August, 1958 to November, 1958. Losses on account of shortages of stores were under the rules, required to be recovered from the officials, whose negligence facilitated the loss otherwise the shortages were to be written off as irrecoverable under the orders of the Government.

The Committee was originally informed that the actual shortage was to the extent of stores worth Rs. 1756.50 in respect of which no official could be held responsible as the shortage was due to non-accounting of certain materials which were issued during 28 months and it was not possible to trace and adjust them. The Committee was not satisfied with this explanation and asked for a further probe into the matter. A thorough enquiry was then conducted by the Superintending Engineer, Provincial Circle, Sukkur, whose finding was as below:—

- |                   |              |   |
|-------------------|--------------|---|
| (i) Cement        | Rs. 47,390   | The cement was set under circumstances beyond the control of the Department.                                |
| (ii) Lime, lia    | Rs. 762      | It was a natural wastage in 28 months due to evaporation, leakage and wear and tear of consumable articles. |
| Baskets,          |              |   |
| Mixtures,         |              |   |
| inks              |              |   |
| Bottles and       |              |   |
| distilled         |              |   |
| water.            |              |   |
| (iii) H.D.S.      | Rs. 1,750.50 | The loss was due to misposting and piecemeal issue during 28 months.  |
| Oil, Mobile       |              |   |
| oil Hydraulic     |              |   |
| oil, Kerosine oil |              |   |
| and               |              |   |
| R.C.C. Pipes.     |              |   |

- (iv) Ditto. Rs. 5,999 The articles were issued in 3/55 but the issue was not incorporated in the accounts as the Sub-Divisional stock Accounts for this month was lost.
- (v) *Miscellaneous Articles* Rs. 4,941.37 The responsibility for the shortage has been fixed against store-keeper, Zaheer Hyder from whom the recovery at the rate of Rs. 46 per month was in progress since March, 1962. The full amount would be recovered before his retirement.
- (vi) *Miscellaneous articles.* Rs. 3,658.37 This amount had been included by Audit in the shortage by adopting the cost of the articles at higher rate.

The Audit pointed out that—

- (i) The Department had reported 6,770 cement bags amounting to Rs. 47,390 as set, whereas records of the Division showed that these bags were detected to be short at the time of physical verification during August, 1958 to November, 1958;
- (ii) Stores amounting to Rs. 11,176.50 had been claimed by the Department to have been used on Government works whereas the records were silent in this respect and the claim could not be substantiated.

The Committee feels that the state of affairs had been very unsatisfactory and if as stated by the Department, the records had been lost, which was surely some body's responsibility, the Department should have taken action against the officer who was responsible for the loss of the records. The Committee recommends that every effort should be made to trace out the records and if none was available, suitable action be taken against the officer/officers who were responsible for the loss.

(4) Page 236, Para. No. 13 of *Appropriation Accounts for 1958-59—Recovery of Rs. 1,15,124*—In this case recoveries on account of Stores issued to Contractors had not been made and heavy balances were outstanding against contractors in their ledger Accounts.



At the meeting of the Committee held on 19th and 20th April, 1966, the Department contended that a sum of Rs. 61, 527, had already been recovered or adjusted. This figure had not been verified by the Audit. The Committee directed the Department to reconcile the figures of recoveries and adjustments made by the Department with Audit.

On 25th October, 1966, the Committee was informed that according to the verification of the Audit Department, only Rs. 41,035.50 had been recovered leaving a balance of Rs. 74,088.50. The Department then contended that they had recovered Rs. 61,527 and a sum of Rs. 53,597 only remained to be recovered from :—

	Rs.
(1) Rais Abdur Rehman, Contractor	42,237
(2) M/s. Progressive Engineers	11,359

The case of Abdur Rehman was stated to be sub-judice and the decision of the Court was still awaited. As regards the recovery from M/s. Progressive Engineers, the Department's contention was that the proposal for recovering the amount as arrears of Land Revenue was referred to Law Department but the Law Department did not agree to the proposal. In order to fix responsibility on the departmental officers in this case, it was stated that the Superintending Engineer had been appointed as Enquiry Officer but the inquiry had not by then been completed as most of the officers involved were working in other regions.

The Committee examined the records on files and came to the conclusion that this was an evident case of utter confusion, gross ignorance and lack of co-ordination. The matter was first raised about 9 years back. The records produced before the Committee did not substantiate the claim of the Chief Engineer as stated in his letter dated 20th November, 1964 to Secretary, Communications and Works Department that strenuous efforts were made to recover the amount from M/s. Progressive Engineers. On the contrary, it appeared from the records that while progressive Engineers were required to pay this substantial amount to Rahimyar Khan Provincial Division, they continued to work for the Lahore Division. The veracity of this contention was never settled as to whether Progressive Engineers continued to be on the list of contractors of the Department or not, and till to-day no one knows whether this is correct or not and no efforts have been made if it is correct to black list them. There could be no greater instance of confusion and lack of co-ordination. Till 12th February, 1965

no efforts what so ever were made to fix the responsibility on any officer or officers concerned for the lapses. In 1964, the Chief Engineer, without efforts first having been made to effect recoveries by resorting to the normal and necessary arbitration or filing a suit in a Court of Law, wrote to the Secretary, Communications and Works Department at Lahore, to have this amount recovered as arrears of Land Revenue. The Communications and Works Department rightly refused to do so without first exploring the normal method of arbitration or by filing the case in a Civil Court for recovery. The most tragic part of it is that though this matter which relates to the former Bahawalpur State has been pending for over 9 years and had been before the Committee for a number of year's no one from the Department was in a position to state whether the original agreement with the contractor contained any arbitration clause or not. This showed the tendency to treat lightly recoveries of Government dues. Can there be a greater instance of ignorance and lethargy?

The Committee took a very serious view of the fact that wrong and misleading statement was given by the Department. It was stated that this matter was referred to the Law Department which did not agree to the proposal of recovery as arrears of land revenue. The records, however, showed that the matter was never referred to the Law Department. It is not for the Committee to pass any comments as to the reasons as to why an attempt was made to involve the name of that Department, but the Committee is satisfied from the examination of the papers on records as well as oral evidence placed before it, that some one some where was obviously trying to aid the contractor in procuring as much time as possible in payment of Government dues, as it is evident that the only purpose served by making a half hearted attempt to recover this amount as arrears of land revenue without first exploring the normal and necessary methods of arbitration or referring the matter to Civil Court, could be to gain time for the contractor while the file and the relevant papers moved leisurely from one Department to another.

XIV. 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, Com-

Action  
taken by the  
Finance  
Department  
on the report  
for the  
year 1958-59

mercial/Finance Accounts for the year 1958-59. The statement is appended to this report as Annexure 'B'.

This statement does not contain the report of the action taken on all recommendations. The Finance Department has promised to place the statement in respect of the action taken on the remaining recommendations when necessary information is received from the Departments concerned. The Committee desires that the Finance Department should take effective steps to ensure action on the remaining recommendations.

XV. The Committee wish to place on record its appreciation of the valuable assistance given to the Committee by Mr. Ahmad Ali Shah, Accountant-General, West Pakistan and Mr. Riaz-ul-Hassan and Rana Muhammad Yasin who succeeded him and Mr. Nazir Ahmed Chaudhri, Director, Audit and Accounts (Works).

Thanks are also due to Mr. S. M. A. Subzwari Director and Mr. Qamar Sardar Khan, Joint Director, Commercial Audit, who also gave valuable assistance to the Committee in the examination of the Commercial Accounts.

The Committee also expresses its appreciation of the advice and assistance given by Mr. Mukhtar Masood, T.Q.A., C.S.P., Secretary, Mr. Muhammad Mohsin, C.S.P., Mr. Asif Rahim, C.S.P., and Syed Akhlaq Hussain, T.Q.A., C.S.P., Additional Secretaries and Mr. G. D. Memon, Joint Secretary, Government of West Pakistan, Finance Department whose advice was always found to be of great use and assistance.

Last but not the least thanks are due to the Secretariat of the Committee and in particular to Chaudhri Muhammad Iqbal and Syed Muhammad 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.

LAHORE:

*The 12th December, 1966.*

ZAIN NOORANI

CHAIRMAN,

*Standing Committee  
on Public Accounts.*

LAHORE:

*The 12th December, 1966.*

MUHAMMAD IQBAL

SECRETARY,

*Provincial Assembly  
of West Pakistan.*

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# **ANNEXURE 'A'**

## **PROCEEDINGS OF THE MEETINGS**

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**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD IN THE COMMITTEE ROOM  
'C' OF THE ASSEMBLY BUILDING LAHORE AT 3.30 P.M.  
ON MONDAY, THE 16TH MARCH, 1964.**

**APPROPRIATION ACCOUNTS FOR 1959-60 AND AUDIT REPORT FOR 1961.**

**I. The following were present:—**

- |  |                                 |
|--|---------------------------------|
| (1) Mr. S. M. Sohail, M. P. A.   | .. Chairman.                    |
| (2) Sardar Ahmed Ali, M. P. A.   | .. Member.                      |
| (3) Mr. Ghulam Muhammad Shah, M. P. A.   | .. Member.                      |
| (4) Khan Ata Hussain Khan Khakwani, 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, assisted by Tarik Saeed Jaffrey, Deputy Secretary, Finance. | .. Expert Advisor.              |
| (7) Mr. Zahur-ud-Din, P.A. and A.S. Accountant-General, West Pakistan.   | By invitation.                  |
| (8) Mr. K. Hafeezullah, P. A. & A. S., Director, Audit and Accounts (Works), West Pakistan.                              | .. By invitation.               |

**II. The Committee took up the examination of the Appropriation Accounts 1959-60 and the Audit Report 1961.**

The following decisions were taken :—

(1) *Page 3—Item No. 5*—An explanation should be called for from the Department concerned in respect of all the items of savings on page 3 of the Audit Report where there has been a saving of more than ten per cent. The explanation should be full and complete giving the details.

(2) *Pages 4-5—Item Nos. 8 and 9*—An explanation should be called for from the relative Departments for the excess expenditure incurred as shown in column 8 of the Report on pages 4 & 5. The explanation should be full and complete giving the details.

(3) *Page 7—"Supplementary Grants and Appropriations proving partly or wholly unnecessary"*—An explanation should be called for from the relative departments for obtaining excess amounts. The explanation should be full and complete.

(4) *Pages 9-10—Item 17 (a) (i)*—An explanation should be called for from the relative Departments as to why the works enumerated at pages 9 & 10 of the report were undertaken in anticipation of Technical Sanction to their estimates. The Committee took a serious view of the matter. A full and complete report giving details should be obtained from the relevant departments who should also state the cases where since then sanctions have been obtained.

(5) *Pages 11-37*—With reference to items under the Heads Buildings and Roads Department, Irrigation Department and Public Health Engineering Department, the shortages of stores, etc., appearing on pages 11-37, a report should be asked for from the relevant Department as to what disciplinary action, if any, they have taken in the cases enumerated therein and also to state in which the cases of the money or stores have been realized. If no disciplinary action have been taken whether any disciplinary action is contemplated and the reasons for taking no action so far. The explanation should be full and complete giving details.

(6) *Page 37—Objections No. 1 to 9 under the Head "Treasury Inspection"* need not be pursued.

(7) *Page 38 (c) Local Audit of other Civil Offices*—No further action was considered necessary and the matter was dropped.

(8) *Pages 39—48*—Explanations should be called for from various Departments referred to on pages 39—48 to explain the irregularities, losses, etc., and also to state what action has been taken to deal with officers or persons concerned and if no action has been taken what action is contemplated and why action has been delayed. A full and complete explanation may be given giving all the details.

(9) *Page 48—Audit of Grants-in-Aid*—Certificates to the effect that the grants were spent on the objects for which they were meant and in accordance with the prescribed conditions should be called for from;

- (1) the Director, Health Services, West Pakistan.
- (2) the Director of Agriculture, West Pakistan.
- (3) the Director Animal Husbandry, West Pakistan.
- (4) the Director of Public Instruction, West Pakistan.
- (5) the Registrar, Co-operative Societies.
- (6) the Deputy Director, Health Services, Khairpur Region.
- (7) the Deputy Director, Health Services, Peshawar Region.

(10) *Page 49. III—Secret Service Expenditure*—Certificates in the prescribed forms should be called for from the Heads of relevant Departments in regard to expenditure for the year 1959-60 under this Head. The explanation should also be called for as to why certificates were not submitted in time. It should be made clear to the Heads of Departments that the Committee took a serious view of the delay in submitting these certificates. As the expenditure under the Head 'Secret Service' is not subject to audit, it is of the utmost importance that the certificates should be submitted in time.

(11) *Pages 49—53—IV Financial review of the Lower Sind Barrage*—Explanation should be called for from the Departments concerned for not crediting the amount of direct or indirect revenue receipts to the Lower Sind Barrage. The Departments should fix responsibility of the officers concerned for the delay in accounting for the Revenue Receipts.

(12) *Page 53. Schemes of State Trading*—The Committee took serious view of the fact that the consolidated running accounts of the foodgrains supply scheme for the year 1955-56 to 1959-60 were not available in time for inclusion in this report and said accounts are not available even upto now. The Department concerned should explain why the accounts were not available for audit and should be further called upon to make available the accounts for audit to the Accountant-General, West Pakistan without further loss of time, to pin point who were responsible for this state of affair and to intimate the action taken or contemplated to be taken against the persons concerned.

(13) *Pages 53-54—VI Expenditure on Deposit Works in excess of the deposits by the Public Works Department*—An explanation should be called for from the relevant Departments for undertaking the works of local or other outside Bodies without deposit of the amount for the respective works or incurring expenditure in excess of the amounts deposited. A report may also be called for from them as to what disciplinary action if any they have taken in these cases and also state as to whether the amounts have since been realized. If no disciplinary action has been taken whether any disciplinary action is contemplated and reasons for taking no disciplinary action so far. The explanation should be full and complete giving details.

(14) *Pages 54—59—Delay in disposal of inspection reports and audit notes—(i) Civil Offices*—The attention of the Committee was drawn to the fact that in all these cases, the audit objections were not attended to by the departments concern-

ed although they, under the rules, should have been attended to within six weeks of the receipt of the objections. The Director Audit and Accounts (Works) placed before the Committee the latest position of the outstanding Inspection Reports and Audit Notes Appendix 'A'. The Committee took a very serious view of the situation and observed that this attitude of the departments concerned practically nullified the whole object of audit and could not be tolerated. The Committee decided that (i) the audit objection in each of these cases should be answered and complied with and report of compliance submitted to the Accountant-General and Director of Audit and Accounts (Works) for his examination; and

(ii) the action should be taken against the officers who were responsible for non-compliance with the audit reports, and for this purpose the Heads of the Departments should be called upon to name the officers concerned and suggest what action should be taken against them for this grave irregularity.

(15) *Pages 60-63—VIII Delay in Preparation of Accounts and Documents and Balances under Adjusting Heads (a) Arrears in Accounts Documents and Returns*—The latest position was brought before the Committee by the Director of Audit and Accounts Works, Lahore as per Appendix 'B'. The Committee directed that the explanation should be called for from the Departments concerned in respect of the latest position.

(b) *Unresponded items under the head 'Transfer between P. W. Officers'*—The Committee took a very serious view regarding the unresponded item under the head 'Transfer Between P. W. Officers', as there was every likelihood of misappropriation of stores, etc., on account of which the debits remained unresponded; and desired that an explanation should be called for from the relevant Departments for not responding the items under the head so far. They may also state as to what steps have been taken to respond these items and also the disciplinary action for not responding these items in the past.

(c) *Non-preparation of Capital and Revenue Accounts*—Explanation should be furnished by the Departments concerned for not supplying the required data to the Audit office for the completion of Capital and Revenue Accounts of Government Residential Buildings.

(16) *Pages 63-65—Para 18—Points Outstanding from Previous Reports*—The Audit Department should re-examine these cases and bring up before the Committee such cases with respect to which they were not satisfied. The rest be dropped.

(17) *Page 70-3—Store Account*—The consolidated Store Accounts of the Excise opium for the year 1957-58 to 1959-60 which were yet to be submitted by the Department should be sent to Audit with out delay. The Department should be asked to explain the delay in submitting these accounts and fix responsibility of the officer concerned.

(18) *Page 81—Grant No. 7 Forests—E—Charges in England*—Explanations of the Department for inaccurate estimate of requirements resulting in excess of Rs. 2,05,320 should be called.

(19) *Page 91-92. Grant No. 11—Irrigation Works Suspense*—The Departments concerned should be called upon immediately to effect clearance of this account, fix responsibility of the officers concerned for non-clearance and report clearance by next meeting or at least submit an interim report of the extent the account is cleared.

(20) *Page 92. Grant No. 11—Loss of Carpets*—An explanation should be called for from the Department concerned who should fix responsibility for the loss and also state the action taken or contemplated and if no action has been taken reasons therefor.

(21) *Page 93. Grant No. 11—Loss of Public Money*—An explanation should be called for from the Department concerned who should fix responsibility of the



officers concerned for these losses and also state the action taken or contemplated and if no action has been taken reasons therefor.

(22) Page 106. Grant No. 13—Irrigation Capital—(a) 68 Constructions of Irrigation Works, etc. (Other than Gudu Barrage Project)—An explanation should be called for from the Department concerned for the in-judicious surrender of Rs. 2,57,07,200 from the authorised grant in view of ultimate excess of Rs. 2,92,05,53 9 over the final grant. They should also fix responsibility of the officers for the irregularity and state the action taken or contemplated.

(b) Gudu Barrage Project—The Department concerned should state when was the Gas Turbine received and when debit for the Gas Turbine was actually received. It should give full and complete details for appropriation; fix responsibility of the officer for the irregularity and state the action taken or contemplated and if no action has been taken, reasons therefor.

(23) Page 108—Item (5)—Stores Accounts of Irrigation Department—Attention of the Committee was drawn to the fact that the sanctioned reserve limit of stock for the year 1959-60 was Rs. 162 lacs whereas the closing balance on 30th June, 1960, was Rs. 875 lacs and odd and opening balance on 1st July, 1959, was 1005 lacs and odd and thus stores of a value of Rs. 87 crores were in excess of the sanctioned limit of reserve stock. The Committee decided that an explanation should be called for, for the excess giving reasons and full fact and figures. The Committee further directed that it should be brought to the notice of the heads of the departments concerned that this type of excess stores being retained and purchased, apart from resulting in loss on account of deterioration and damage, also lent colour to the view that there might be pilferage and other illegal disposal of such stock. The reply should be given taking into consideration this view point of the Committee.

It was also brought to the notice of the Committee by the Director Audit and Accounts, Works Lahore that 110 Nos. stock returns upto the year ending 30th June 1960 have not been received from the Irrigation Department. It was decided by the Committee that explanation should be called for from the Department for not submitting the stock returns. They should also fix responsibility for the officers concerned for the non-submission and state the action taken or contemplated.

(24) Pages 108-109—Loss of Stores, excess payment, etc. Paras 6 (i) (ii) (iii) (iv) 7, 8 and 9.—An explanation should be called for from the Department concerned who should fix responsibility of the officers concerned for these irregularities and also state the action taken or contemplated and if no action has been taken reasons therefor.

(25) Page 118. Note 7—Embezzlement of Government Money—Responsibility for the loss of Fine Registers upto 1948 should be fixed by the Department and suitable action taken against the person at fault. A report of the action taken be submitted to the Committee.

(26) Page 122. Notes 1 & 5. Store Accounts of Jail Department and Financial Statements of Factories—Same decision as at serial No. (17).

(27) Pages 150 and 152—Grant No. 21—Health Services—(a) Page 150—Explanation—The Department should intimate reasons under which sanction for the purchase of articles could not be issued resulting in a saving of Rs. 5,28,101.

(b) Page 152—Last Paragraph—Explanation should be called for from the Department as to why credit sales were allowed to private persons. The latest position for the recovery of the dues should be intimated by the Department to the Committee.

(28) Page 163. Stores Account—Attention of the Committee was drawn to the fact that the sanctioned reserve limit for stock for the year 1959-60 was 340 lacs whereas the closing balances on 30th June, 1960 was 822 lacs and odd and

opening balance on 1st July, 1959 was 953 lacs and odd. It would thus appear that stores of a value of 6 crores were in excess of the sanctioned reserve limit. The Committee decided that an explanation should be called for, for the excess giving reasons with full facts and figure. The Committee further directed that it should be brought to the notice of the Heads of Departments concerned that this type of excess being retained and purchased, apart from resulting in a loss on account of deterioration and damage also gives colour to the view that there might be pilferage and other illegal disposal of stock. The reply should be given taking into consideration this view point of the Committee. It was brought to the notice of the Committee by the Director, Audit and Accounts, Works, Lahore that 74 Nos. stock returns upto the year ending 30th June, 1960 have not been received from the Communications and Works Department. It was decided by the Committee that explanation be called for from the Department for not submitting the stock returns. They should also fix responsibility of the officers concerned for non-submission and state the action taken or contemplated.

(29) *Page 164. Grant No. 29, Civil Works, Suspense*—The Committee viewed with concern the increase from 1,566 lacs to 1,925 lacs in the suspense balances and directed that the Departments concerned should be called upon immediately to effect clearance of the account, fix responsibility of the officers concerned for non-clearance, and report clearance to the Committee.

(30) *Pages 167—169. Grant No. 29—Paras. 9 (i) (ii), 10 (i) (ii), 11, 12, 13*—An explanation should be called for from the Departments concerned who should fix responsibility of the officers concerned for the irregularities and also state the action taken or contemplated and if no action has been taken reasons therefor.

(31) *Page 175—31—Civil Works Capital—(a) 70—Capital outlay on Improvement of Public Health and 80—Town Development Schemes*—Explanation should be called for from the Departments concerned for non-acceptance of figures of actual expenditure and non-submission of explanations of variations. The Departments should fix responsibility of the officers concerned and also state the action taken or contemplated and if no action has been taken, reasons therefor.

(b) 81—*Capital Account of Civil Works outside the Revenue Account*,—A detailed report for the excess of Rs. 2,31,40,911 giving full facts and figures should be submitted by the Department concerned.

(32) *Pages 180—182. Paragraphs 5 (i) (ii), 6, 7, 8, 9 and 10 Excess payments, loss of stores, etc.*—An explanation should be called for from the Departments concerned who should fix responsibility of the officers concerned for the irregularities and also state the action taken or contemplated and if no action has been taken, reasons therefor.

(33) *Page 206. Grant No. 40—Note 5—Embezzlement by a Sugar Inspector*—Same decision as at serial No. (18).

(34) *Page 207. Grant No. 41—Note 2*—Attention of the Committee was drawn to the fact that Government has invested a sum of Rs. 497 lacs on seven Industries, viz., (1) Provincial Road Transport Board, (2) Small Scale Cottage Industries Corporation, (3) Panjnad Sugar Mill Ltd., (4) Charsadda Sugar Mills Ltd., (5) Rural Credit Societies, (6) Agricultural Bank of Pakistan, (7) Khairpur Agencies Ltd. 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 as to what are the prospects of our profit in this investment and whether it is advisable to continue our investments in these organisations.

(35) *Pages 213—215—Annexure*—Explanation should be called for from the Departments concerned as to why the irregularities have not been rectified, the excess payment not realized, and the shortages of stores not recovered. These

explanations should clearly fix the responsibility under each head and report the action taken against the officers concerned and if no action has been taken what action is contemplated.

(36) Explanations should be obtained from the Departments concerned by the end of May, 1964 positively so that the Committee can consider them in June-July, 1964. Finance Department should take necessary action in this regard.

III. *Finance Accounts*—The Finance Accounts of the Government of West Pakistan, 1959-60 and the Audit Report, 1961, were placed before the Committee and the Committee noted the same.

IV. The Committee decided to cancel further meetings at Lahore and fixed 10th April, 1964, as the date for the commencement of the next series of meetings at Karachi. The Committee decided to meet from day to day at Karachi from 10th April, to 19th April 1964 to consider the explanations furnished by the concerned Departments in respect of the Appropriation Accounts for the year 1957-58 and 1958-59 and to conduct the preliminary examination of Commercial Accounts for the year 1957-58 and 1958-59.

LAHORE:

The 19th March, 1964.

MUHAMMAD IQBAL  
SECRETARY,

Provincial Assembly of West Pakistan.

## APPENDIX 'A'

STATEMENT SHOWING YEAR-WISE POSITION OF THE AWAITED DOCUMENTS/RETURNS  
UPTO 1960-61 AS IT STOOD ON 29TH FEBRUARY 1964

Serial No.	Name of Department	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	Total
1	Instruction Reports	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
2	Irrigation	..	..	..	..	..	..	..	16	45	56	70	878	102	38	436
3	Irrigation Divisions transferred to WAPDA.	..	..	..	..	..	..	..	4	4	8	11	13	16	3	57
4	Irrigation Divisions transferred to A. D. C.	..	..	..	..	..	2	3	2	4	4	4	3	4	1	35
5	Total Irrigation	..	..	..	..	2	2	3	22	53	68	85	94	121	98	548
6	Buildings and Roads	..	..	..	..	..	..	1	7	10	20	35	41	80	3	198
7	Public Health Engineering	..	..	..	..	..	..	..	..	..	1	1	4	3	8	22
8	Electricity WAPDA	..	..	..	..	3	4	5	13	13	16	14	25	111	150	93
	GRAND TOTAL	..	..	..	..	5	6	9	42	76	105	135	164	179	140	861



## APPENDIX B

STATEMENT SHOWING YEARWISE POSITION OF AWAITED DOCUMENTS AND RETURNS UP TO 1960-61 AS IT STOOD ON 29TH FEBRUARY, 1964

Serial No.	Name of Documents/Returns	Name of Department	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	Total
1	Stock Return	(a) Irrigation ..	1	1	3	4	4	4	8	9	10	11	14	44	70	106	292
		(b) Irrigation Division, Transferred to WAPDA.	..	..	..	..	..	..	..	..	..	..	..	1	1	3	5
		(c) Irrigation Division transferred to A. D. C.	..	..	..	..	..	..	..	..	..	..	..	..	4	5	9
		Total Irrigation ..	1	1	3	4	4	4	8	9	10	11	14	45	75	117	306
		(d) Buildings and Roads	..	..	..	..	..	3	5	4	4	4	5	17	31	51	124
		(e) P. H. Engineering..	..	..	..	..	..	..	..	..	..	..	..	..	2	2	4
		(f) Electricity WAPDA	..	..	1	1	2	5	9	12	14	15	16	29	..	..	104
		GRAND TOTAL ..	1	1	4	5	6	12	22	25	28	30	35	91	108	170	638





APPENDIX B—contd.

Serial No.	Name of Documents/Returns	Name of Department	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	Total
4	Form 26/51 Schedule of Settlement with treatise series.	(a) Irrigation ..										2				4	7
		(b) Buildings and Roads									1	1				3	5
		(c) P. H. Engineering ..														1	1
		(d) Electricity WAPDA										18	15	24			57
		GRAND TOTAL									1	22	15	24		8	70
5	Schedule of Rent of Buildings and Land.	(a) Irrigation ..														1	4
		(b) Irrigation Divisions transferred to A. D. C.											1	1			
		Total Irrigation ..											1	1		1	4
		(c) Buildings and Roads														4	4
		(d) Electricity WAPDA			7	12	12	12	12	12	12	12	12	14			117
		GRAND TOTAL		7	12	12	12	12	12	12	12		13	15	1	5	125





**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 21ST MAY 1965, AT 11-00 A.M. IN THE  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**1. The following were present:—**

- |   |                       |
|---|-----------------------|
| (1) Mr. S. M. Sohail, M.P.A.  | .. Chairman.          |
| (2) Sardar Ahmad 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<br>Assembly of West Pakistan | Ex-officio Secretary. |
| (6) Mr. S. M. Nasim, Additional Finance Secretary                               | .. Expert Adviser.    |
| (7) Mr. S.M.A. Subzwari, P. A. & A. S., Accountant-<br>General, West Pakistan   | .. By invitation.     |
| (8) N.A. Jafri, P.A. & A.S., Director of Commercial<br>Audit.                   | .. By invitation.     |

**2. The Committee took up the preliminary examination of the Commercial Accounts of the Government of West Pakistan for the year 1959-60 and the audit report thereon.**

**The following decisions were taken:—**

(1) *Pages 9 and 10, paragraph 18—non-compilation/preparation of Accounts*—The Department concerned should explain the reasons for which the accounts of the 15 organizations were not prepared/compiled in time. The Department concerned should expedite the preparation of accounts which are still pending and submit them to the Audit within 3 months for scrutiny.

(2) *Page 19, paragraph 22, the failure of a project resulting in a loss of Rs. 40,32,955*—The Virginia Tobacco Redrying Factory, Khairpur, during its working from 1954 to 1956 had suffered a loss of Rs. 40,32,955 for the following reasons:—

- (i) Loss of Rs. 24, 83,651 in the disposal of accumulated stock.
- (ii) Loss of Rs. 16,35,088 due to uneconomical purchases of Tobacco.
- (iii) Loss of Rs. 7,43,324 on account of non-realization of sale-proceeds.
- (iv) Loss of Rs. 1,26,997 due to shortage of Tobacco in the godown and in transit.
- (v) Infructuous expenditure of Rs. 37,000 on training.
- (vi) Infructuous expenditure of Rs. 33,027 on advertisement, etc.
- (vii) Loss of Rs. 2,826 due to non-recovery of dues from the employees.

The Department should submit a detailed report dealing with each item for the examination of the Committee.

(3) *Page 22, paragraph 24—Treasury Challan—Missing Rs. 24,437*—The Department concerned should explain the latest position of the case and the action, if any, taken by the Department against the Cashier and officials concerned.

(4) *Page 22, paragraph 25—Outstanding Advance, Rs. 10,000*—The Department should explain the reasons as to why the Department did not ask the Assistant Director to render the accounts, report the action taken against the official concerned and the latest position of the reference made to the Government.

(5) *Page 22, paragraph 26—Loss of Rs. 2,664 due to excessive purchase and defective storage*—The Department concerned should state whether the articles in

question have since been disposed of and if so, for what amount and what is the actual resultant loss. The Department should further explain as to why these excessive purchases were made by it.

(6) *Page 22, paragraph 27—Loss of Rs. 4,272 due to disposal of damaged articles*—The Department concerned should state whether the loss of Rs. 4,272 has since been written off and what remedial measures have been taken for avoiding the recurrence of such losses in future.

(7) *Page 23, paragraph 28—Non-accountal of petrol, etc.*—The Department concerned should report the results of investigation, if any, carried out by it and the remedial measures taken for avoiding the recurrence of such losses in future.

(8) *Page 23, paragraph 29—Overpayment of Rs. 4,703*—The Department concerned should report the results of departmental investigations and the action taken for avoiding such lapses in future.

(9) *Page 23, paragraph 30—Loss of Revenue, Rs. 4,588*—The Department concerned should state whether any responsibility has been fixed and if so, what further action has been taken.

(10) *Pages 27-28—Government Demonstration and Weaving Factory, Shahdara—*

(i) *Paragraph 40*—The Factory earned a net profit of Rs. 3,66,581 during the year 1958-59. This profit has been arrived at after the transfer of expenditure of Rs. 4,19,822 from the Commercial side to the Education side. The Standing Committee on the Public Accounts while discussing the similar objection pointed out in the Commercial Accounts for 1957-58 had remarked that this position should be reviewed and reconsidered by the Finance Department sitting along with the Industries Department and the Management [of the Factory] and a solution be found out. The latest position of the case should now be reported.

(ii) *Paragraph 41*—The Committee would only impress the need of early liquidation of liabilities.

(iii) *Paragraph 43*—The Committee would only impress the need of taking effective steps for the speedy realisation of debts.

(iv) *Paragraph 44*—The Department concerned should state whether the excesses and shortages in stock and stores amounting to Rs. 24,020 and Rs. 29,26 respectively have since been regularised under the sanction of the competent authority.

(11) *Page 50, paragraph 63—Government Demonstration Weaving Factory, Shahdara*—The Department concerned should state whether the excesses and shortages have since been regularised after proper investigation.

(12) *Page 127, paragraph 121—Virginia Tobacco Redrying Factory, Khairpur*—The Department concerned should state whether the loss on the sale of assets has since been worked out and regularised under orders of the competent authority.

(13) *Page 141, paragraph 140—Government Jallo Rosin and Turpentine Factory, Lahore*—The Committee would only impress the need of early liquidation of liabilities.

(14) *Page 181, paragraph 172—Excise and Salt Department, Lahore*—The Committee would only impress the need of revision of despatch charges for avoiding recurrence of such losses in future.

(15) *Page 222-225—Transport Department—*

(i) *Paragraph 198—Shortage of store worth Rs. 16,87,321*—The results of the enquiry and the final action taken by the Road Transport Corporation thereon should be reported to the Committee.

- (ii) *Paragraph 199—Pilferage of 497½ lbs. of tin Ingots valuing, Rs. 4,444—* Action taken for the recovery of the amounts from the Insurance Company should be intimated to Audit.
- (iii) *Paragraph 200—Delay in disposal of obsolete spare parts, Rs. 1,95,383—* Results of the action taken for the disposal of obsolete spare parts and the loss sustained in their disposal should be reported to the Committee.
- (iv) *Paragraph 201—Accumulation of [surplus and obsolete stores and spare parts, Rs. 1,84,224—* Final action taken for the disposal of obsolete stores and the loss sustained in their disposal should be reported to the Committee.
- (v) *Paragraph 202—Loss due to the burning of a bus, Rs. 22,085—* The Department concerned should place before the Committee the departmental enquiry report and state the steps taken by the Board to guard against similar accidents in future.
- (vi) *Paragraph 203—Shortage of stores in transit, Rs. 20,000—* Realization of Government money should be effected and action taken to avoid recurrence of similar losses in future should be reported to the Audit.
- (vii) *Paragraph 204—Loss of Rs. 1,13,215 (approximate) in the operation of buses—* The total amount actually recovered and the measures taken to prevent recurrence of such losses should be intimated to the Audit.
- (viii) *Paragraph 205—Pilferage of stores worth Rs. 1,260—* The Department concerned should state whether the balance amount of Rs. 680 has since been re-covered and whether responsibility for misplacing the documents has been fixed upon the officials concerned.
- (ix) *Paragraph 206—Failure to obtain refund of Road Tax amounting to Rs. 58,512—* Results of investigation and remedial measures taken in them should be intimated to the Audit.
- (x) *Paragraph 207—Loss of Rs. 97,746 in the operation of buses—* The Department concerned should explain the loss of Rs. 97,746.
- (xi) *Paragraph 208—Shortage of Stores worth Rs. 18,577—* The Department concerned should state as to why the results of investigation of shortages were not made available to the Audit.
- (xii) *Paragraph 210—Infructuous expenditure of Rs. 35,509 on the repairs and reconditioning of buses—* The Department concerned should furnish an explanation for the infructuous expenditure of Rs. 35,909 on the repairs and conditioning of buses.
- (xiii) *Paragraph 211—Shortage of cash, Rs. 1,642—* The Department concerned should state whether the amount in question has since been recovered from the official at fault.
- (16) *Page 231, paragraph 222—* The Department concerned should explain the steps taken to arrest the decline in profits and the reasons leading to the continuous decline in profits.
- (17) *Page 252, paragraph 235—* There exists a difference of Rs. 61,98,982 in the ledger balances of the Headquarters office against D.G.S. and D. (Audit Officer, Industries, Supply and Food) and the Accounts rendered by that office. The progress of reconciliation and the results obtained should be intimated to the Audit.
- (18) *Page 252, paragraph 237—* The Department concerned should report the steps taken for the speedy realisation of debts and the amount so far recovered.
- (19) *Page 278, paragraph 253—* The Department concerned should report the results of investigation and the remedial measures taken to improve the system.

(20) *Page 314, paragraph 279*—The Department concerned should state whether physical verification is now being carried out and explain the circumstances under which the physical verification was not carried out earlier.

(21) *Page 330, paragraph 292*—The Department concerned should report the action taken for the liquidation of liability of Rs. 4,10,876.

(22) *Page 381, paragraph 332*—The Department concerned should report the action taken for the liquidation of liability.

(23) *Page 397, paragraph 349*—The Department concerned should report the action taken for the speedy realisation of debts.

(24) *Page 397, paragraph 350*—The Department concerned should report the steps taken for ensuring the expeditious liquidation of liabilities.

(25) *Page 444, paragraph 381*—The Department concerned should explain the reasons leading to the continuous decline in profits.

(26) *Page 461, paragraph 397*—The Department concerned should report the progress of realisation of Sundry Debts from the various parties.

(27) *Page 530, paragraph 448*—The Department concerned should report the progress of realisation of Sundry Debts from various private parties and Police Department.

(28) *Page 548, paragraph 462*—The Department concerned should report the progress of realisation of Sundry Debts.

(29) *Page 565, paragraphs 476 and 477*—The Department concerned should report the progress of realisation/liquidation of Sundry Debts/Sundry Credits.

(30) *Page 586, paragraph 490*—The Department concerned should report the circumstances under which the physical verification of assets was not carried out and ascertained the actual existence of the assets.

(31) *Page 636, paragraph 518*—The Department concerned should report the action taken for ascertaining the actual price and its final adjustment.

(32) *Page 696, paragraph 559*—The Department concerned should report the correct position of recoveries and the net billing work.

(33) *Page 746—Annexure.*

(i) *Item 1—Alleged Misappropriation by encashing of forged bills at Government treasuries—Rs. 20,000—*

The Department concerned should report the decision of the Court if any.

(ii) *Items 2—6*—The Department concerned should report the results of the police investigations.

III. The Committee then adjourned to meet again on 24th May, 1965 at 9.00 a.m. for consideration of the Appropriation Accounts for 1957-58 and 1958-59.

LAHORE :

Date the 21st May, 1965.

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 AT 9-00 A.M., ON 23RD NOVEMBER,  
1965

I. The following were present—

- |  |                       |
|--|-----------------------|
| (1) Mr. Zain Noorani, M.P.A.   | .. Chairman.          |
| (2) Chaudhri Muhammad Sarwar Khan, M.P.A.  | .. Member.            |
| (3) Chaudhri Muhammad Nawaz, M.P.A.  | .. Member.            |
| (4) Rai Mansab Ali Khan Kharal, M.P.A.   | .. Member.            |
| (5) Mr. Mahmood Azam Farooqi, M.P.A.   | .. Member.            |
| (6) Syed Yusaf Ali Shah, M.P.A.  | .. Member.            |
| (7) Mr. Bashir Ahmad Mirza, P.C.S., Secretary, Provincial Assembly of West Pakistan.                         | ex-officio Secretary. |
| (8) Mr. Ahmed Ali Shah, P. A. & A. S., Accountant-General, West Pakistan.                                    | By invitation.        |
| (9) Mr. Nazir Ahmed Chaudhri, P. A. & A. S., Director, Audit and Accounts (Works), West Pakistan, Lahore.    | By invitation.        |
| (10) Mr. Mukhtar Masood, C. S. P., Secretary to Government of West Pakistan, Finance Department.             | Expert Adviser.       |
| (Came after the commencement of the meeting)   |                       |
| (11) Mr. Majid Mufti, C.S.P., Secretary to Government of West Pakistan, Communications and Works Department. | By invitation.        |

(Came after the commencement of the meeting).

II. At the outset the Secretary placed before the Committee Memo. No. Dp.-1/1-64(PAC), dated 22nd November, 1965 received from the Deputy Secretary, Communications and Works Department stating:—

“The Minister for Communications and Works Department was pleased to request the Chairman of the Standing Committee on Public Accounts to postpone the examination of the Appropriation Accounts of the Communications and Works Department scheduled to be held on the 23rd of November, 1965. The Chairman had very kindly consented to postpone this meeting in respect of the Communications and Works Department.

This information is hereby conveyed to you for your further necessary action in the matter.”

The Chairman explained that there was some misunderstanding in as much as when the Minister for Communications and Works had spoken to him he had explained to the Minister that while the Committee would be prepared to give due consideration to all legitimate and reasonable requests of Communications and Works Department, it would be advisable if the Secretary of the said Department were to appear before the Committee and explain to the Committee as to his difficulties. This observation of the Chairman was communicated to Secretary, Communications and Works Department and he was asked to attend the meeting.

Secretary, Communications and Works Department, then appeared before the Committee and expressed his regrets that a misunderstanding had arisen. He stated that in view of the fact that three of his Chief Engineers had only recently taken charge of their assignments it would have been very difficult for them to have appeared before this Committee and given satisfactory explana-



tions. The Committee pointed out to him that the transfer of engineers was not sufficient ground for postponement of appearance of officers before the Committee in as much as the transfer of Government Officers was a day-to-day occurrence and the working papers of the Department should not, in any way, be delayed due to this reason. The Committee further pointed out that the working papers of the Communications and Works Department in respect of the Appropriation Accounts for 1959-60 were originally asked for in March 1964 and thereafter this Department was reminded from time to time but the working papers had not been received in the Secretariat of the Committee so far. The Secretary, Communications and Works Department expressed his regrets and assured the Committee that the papers would be submitted at the earliest possible date.

In view of the fact that the working papers of the Communications and Works Department were not before the Committee and taking into consideration the difficulty pointed out by the Secretary, Communications and Works Department, the Committee decided to defer consideration of the items relating to this Department and to consider these at its meetings to be held in December, 1965 after the termination of the Winter Session of the Provincial Assembly.

III. The Committee then adjourned to meet again on 24th November, 1965 at 9-00 A.M.

LAHORE :  
The 23rd November 1965. }

ZAIN NOORANI  
CHAIRMAN,  
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON WEDNESDAY, THE 24TH NOVEMBER, 1965, AT 9-00 A.M. IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**I. The following were present:—**

- |  |  |
|--|--|
| (1) Mr. Zain Noorani, M.P.A.   | .. Chairman.   |
| (2) Mr. Mahmood Azam Farooqi, M.P.A.   | .. Member.   |
| (3) Chaudhri Muhammad Nawaz, M.P.A.  | .. Member.   |
| (4) Rai Mansab Ali Khan Kharal, M.P.A.   | .. Member.   |
| (5) Syed Yusaf Ali Shah, M.P.A.  | .. Member.   |
| (6) Mr. Bashir Ahmad Mirza, P.C.S., Secretary, Provincial Assembly of West Pakistan.   | <i>ex-officio</i> Secretary.   |
| (7) Mr. Mukhtar Masud, T.Q.A., C.S.P., Secretary to Government of West Pakistan, Finance Department.   | Expert Adviser.  |
| (8) Mr. Ahmed Ali Shah, P. A. & A. S., Accountant-General, West Pakistan.  | By invitation.   |
| (9) Chaudhri Nazir Ahmad, P. A. & A. S., Director, Audit and Accounts (Works), West Pakistan.  | By invitation.   |
| (10) Mr. S. A. M. Khan, C.S.P., Member, Board of Revenue and Secretary to Government of West Pakistan, Transport Department.   |  |
| (11) Khan Abdul Rashid Khan, S.Q.A., Chief Administrator of Auqaf and Secretary to Government of West Pakistan, Auqaf Department.  |  |
| (12) Mr. S. Manzoor Ellahi, C.S.P., Secretary to Government of West Pakistan, Education Department.  | By invitation (at the time of consideration of items relating to their respective Departments. |
| (13) Khan Fazl-ul-Rahim Khan, T.Q.A., Joint Secretary to Government of West Pakistan, Agriculture Department.  |  |
| (14) Mr. S. M. Wasim, C.S.P., Secretary to Government of West Pakistan, Basic Democracies, Social Welfare and Local Government Department along with Chief Engineer, Public Health Engineering Department. |  |
| (15) Sheikh Muhammad Hussain, T.Q.A., C.S.P., Secretary to Government of West Pakistan, Food Department.   |  |

**II. The Committee considered explanations of the following Departments in respect of the items appearing in the Appropriation Accounts for the year 1959-60:—**

**TRANSPORT DEPARTMENT**

*Page 3, paragraph 5, read with page 194—Grant No. 36—Miscellaneous—Head "F-4—Other Charges—Grant-in-Aid to Flying Clubs"—Saving, Rs. 9,677—*

Secretary, Transport Department explained that the saving was due to the fact that the amount could not be drawn in time on account of the objection of the Accountant-General, with regard to discrepancies in the signatures of the drawing officer, which was received in the office of the Deputy Commissioner, Lahore, at

the close of the year. The Committee desired that the Department should produce before the Committee, at its meeting to be held on 25th November, 1965, the relevant documents to show when the bill was submitted to the Accountant-General's office and when was it returned by that office.

#### AUQAF DEPARTMENT

*Page 5, paragraph 8, read with page 146—Grant No. 19—Scientific and Miscellaneous Department—Head "O—Ecclesiastical"—Excess of Rs. 3,885—Secretary, Auqaf Department, stated that the explanation for the excess has not so far been received by him from the Commissioner, Kalat Division. The Committee decided that explanation should be obtained and placed before the Committee at its meetings to be held in December, 1965.*

#### EDUCATION DEPARTMENT

(1) *Page 43-49, paragraph 17-II—Audit of Grants-in-Aid—The requisite certificates regarding proper utilization of Grants-in-aid having since been furnished to the Audit, no further action remained to be taken.*

The Committee, however, desired that the Secretary, Education Department should supply to the Committee a list of institutions which had not utilized the grant according to the conditions laid down or had failed to utilize the grants allocated to them.

(2) *Pages 54-57, paragraph 17-VII—Delay in disposal of Inspection Reports and Audit Notes—The Committee noted with satisfaction that out of 453 cases only one case remained outstanding. But at the same time the Committee was perturbed to note that despite the recommendations of the previous Standing Committee that action should be taken against the officers responsible for the delay, no action had been taken. The Committee strongly felt that unless strict control was maintained over the erring officers, there was apprehension of such lapses being repeated. The Committee recommended once again that the Department should give serious attention to this matter and take suitable action against the officers concerned. Further the Committee desired that full report, naming the officers concerned and the action taken against each one of them be reported to the Committee at its next meeting.*

As regards the one case which remains outstanding, the explanation of the Department was that the records of the case were not traceable. The Committee did not feel satisfied with the Department's explanation that the record of the Director of Technical Education could not be traced. The Committee impressed upon the Secretary, Education Department that it was desirable that appropriate steps should be taken to trace the records, and to report the progress made to the Committee at its next meeting.

(3) *Page 3, paragraph 5, read with page 208—Grant No. 42—Loans and Advances by the Provincial Government—Head "A 3—Advances to Students of Former Bahawalpur State" Saving, Rs. 1,200. Explanation of the Department was that the amount could not be utilized as the cases of awarding loans to students could not be finalised due to non-availability of suitable candidates. The Committee found this explanation to be unsatisfactory and recommended that action should be taken against officers responsible for the saving of this amount.*

(4) *Page 5, paragraph 8, read with page 145—Grant No. 19—Scientific and Miscellaneous Departments—Head "N-2—Library—Excess Rs. 683—The amount of excess being very nominal, the Committee did not consider it necessary to proceed with the item.*

(5) At this stage Secretary, Education Department, placed before the Committee a working paper in respect of excess of Rs. 1,57,333 under head "Advances to Board of Management—Muslim Education Cess Fund" under Grant No. "46—Advances not bearing interest—Advances repayable" appearing at pages 4-5, paragraph 8 read with pages 226-227 of the Appropriation Accounts for 1958-59 and stated that this item could be more suitably dealt with by the Finance Department. The Finance Secretary stated that the Finance Department would be in a position to enlighten the Committee after going through the material furnished by the Education Department when the items relating to Finance Department were considered by the Committee.

### AGRICULTURE DEPARTMENT

The Committee decided to defer consideration of the items relating to Agriculture Department to its next meetings to be held in December, 1965 as the Secretary, Agriculture Department, was not present and the Joint Secretary was not in a position to explain all items pertaining to this Department.

The Committee noted that the working papers prepared by the Department were not in order as instead of being in a consolidated form for the whole of the Department, separate working papers for some of the Wings of the Department were furnished and those too were incomplete. Further, working papers in respect of Agriculture Wing and the Agricultural Development Corporation had not been furnished. The Committee asked the Joint Secretary to furnish to the Committee by 10th December, 1965, the consolidated working papers covering all items pertaining to all the Wings of the Agriculture Department and in the order in which the items appeared in the Appropriation Accounts and the Audit Reports.

### BASIC DEMOCRACIES, SOCIAL WELFARE AND LOCAL GOVERNMENT DEPARTMENT

#### (A) CIVIL OFFICES

(1) Page 3, paragraph 5, read with page 195—Grant No. 36—Miscellaneous—

Head "J-3—V-AID Department"—Saving Rs. 47,90,508—The Department furnished explanation in respect of a saving of Rs. 47,90,508 out of the total grant of Rs. 1,19,90,400 under head "J-3-V-AID Department."

According to the Department the now defunct V-AID Department was then under expansion and was undertaking new development activities for which new posts had been provided for in the budget grant. The expenditure actually incurred against the sanctioned grant was, however, less due to non-availability of suitable incumbents in consequence of which a number of newly sanctioned posts (gazetted as well as non-gazetted) could not be filled during the year. A part of the saving resulted from non-implementation of certain Development schemes either due to non-availability of material or because some other necessary formalities had not been complied with.

The Committee found this explanation to be unsatisfactory and further observed that had proper care been taken to surrender the excess amount in time it could have been re-allocated by Government and put to use for other purposes.

(Note—See item (2) also).

(2) Page 3, paragraph 5, read with page 195—Grant No. 36—Miscellaneous.

Head "F-4—Other Charges—J-2—Panchayat Officers" Saving Rs. 3,25,947—The Department furnished explanation in respect of saving of Rs. 3,25,947 out of a

total grant of Rs. 8,70,590. The Accountant-General pointed out that the savings relating to Basic Democracies, Social Welfare and Local Government Department under sub-heads F-4—Other Charges, J-2—Punchayat Officers, J-3—Village Agricultural and Industrial Development Department and J-4—Local Government Inspectorate amounts to Rs. 52,17,374 out of which the explanation for the saving of Rs. 47,90,508 and Rs. 3,25,947 had been furnished by the Department and there remained a balance of Rs. 1,00,919 for which no explanations had been furnished.

The Committee desired that the Accountant-General should furnish the break up of the remaining saving to the Department who should submit explanation for that saving also to enable the Committee to consider this item as a whole at the next meetings to be held in December, 1965.

(3) *Pages 56-57, paragraph 17-VII—Delay in Disposal of Inspection Reports and Audit Notes (C)—Item No. 11 and (D) Item No. 5—Subject to verification by Audit the para. was dropped.*

(4) *Pages 217-18—Unfinalized Cases.*

(i) *Page 217, serial No. 27—Unauthorised Aid to Dealer involving Rs. 3,993—*The explanation of the Department was that the Director-General, Supply and Development, Government of Pakistan allocated in June, 1959, 839 tons of cement for Peshawar Region to meet the then prevalent shortage of cement there.

The cement was to be supplied by the Pakistan Industrial Development Corporation, Maple Leaf Cement Factory, Daud Khel. The Pakistan Industrial Development Corporation desired the payment to be remitted to the Factory before the close of the allocation period. The Development Officer, Mardan complied with this under instructions from the Director, Village Aid Administration, Peshawar. The cement, however, was received in July, 1959. The Finance Secretary stated that it was a minor procedural irregularity. The Committee was satisfied with the explanation and the item was dropped.

(ii) *Page 218, Serial No. 28—Loss of Government property involving Rs. 2,940.*

(iii) *Page 218, Serial No. 29—Recovery of gunny bags worth Rs. 442—*The above items were dropped after hearing the explanations of the Department.

(iv) *Page 218, Serial No. 30—Loss due to fire—*The Committee decided that the result of the departmental inquiry should be reported to the Committee at not its next meetings to be held in December, 1965 or in the subsequent meeting, if finalized till then.

(5) *Page 3, paragraph 5, read with page 208—Grant No. 42—Loans and Advances by the Provincial Government—*

*Head "B-I—Loans to Municipalities"—Savings Rs. 27,16,338—*The explanation of the Department was that the Local Bodies have to comply with certain formalities before they could be granted Loans and Advances. As most of these schemes were development schemes, the Local Bodies concerned were required to get them cleared by the Planning and Development Department. It was expected that the requisite formalities would be completed by the Local Bodies well before the close of the Financial year 1959-60, but unfortunately the formalities could not be completed by them and the un-utilized funds could not, therefore, be surrendered. It was pointed out to the Committee that procedure of getting the schemes cleared was adopted in 1960. The Committee came to the conclusion that if this was correct, the explanation given by the Department was not satisfactory. The Committee desired that this matter should be placed before it with full details at its meetings to be held in December, 1965.

(6) Page 3, paragraph 5, read with page 194—Grant No. 36—Miscellaneous—Head “J-13—Social Welfare”—Savings Rs. 45,801—The consideration of this item was deferred to the next meetings to be held in December, 1965.

(7) Pages 4-5, paragraph 8-9 read with page 145—Grant No. 19—Scientific and Miscellaneous Departments—

Head “L—Examination”—Excess Rs. 271—The amount of excess being very nominal the Committee did not consider it necessary to proceed with this item.

#### B—PUBLIC HEALTH ENGINEERING DEPARTMENT

(8) Page 13, paragraph 17-I (a)-2, Serial No. 11—Excess Payment of Rs. 76,449—The Committee was not satisfied that suitable action had been taken against the officers concerned. The Committee further felt that if the contractors were found guilty of having conspired to get excess stores, further action was called for against them. The Committee decided that the Department should report to the Committee the action taken against the contractors and the officers including the Accountant who also appeared to be responsible.

As the Audit could not verify the recovery of Rs. 23,513 for want of time, the Committee decided that a report regarding full recovery be submitted to the Committee after verification by Audit. The Committee observed that it would appreciate if, in future, the Departments mentioned the date on which the explanation was submitted by the Department to the Audit and the date on which the Audit supplied its comments to the Departments.

(9) Pages 53-54, paragraph 17-VI—Expenditure on Deposit Works in excess of the deposits received—The Committee decided that the position should be reconciled with the Audit and the matter should be brought before the Committee at its meetings to be held in December, 1965. The Committee further asked the Department to furnish the full details of the schemes and the amount spent on each of them.

(10) Page 181, paragraph 7—Theft of M.S. bars—The Committee noted that the overpayment was detected in August, 1957 and enquired the date of death of the Overseer so as to determine whether the amount could have been recovered before his death. Secretary of the Department promised to look into the matter personally and submit full details in respect of this case to the Committee at its meetings to be held after December, 1965.

(11) Page 181, paragraph 8—Non-recovery of Wharfage and Demurrage charges from Contractor—The Committee decided that the Department should proceed in the matter according to the decision of the *ad hoc* Public Accounts Committee taken at its meeting held in February, 1962 in respect of paragraph 18(a) (2) of Appropriation Accounts of the former Government of Sind for 1954-55.

(12) Pages 58-59, paragraph 17-VII—Delay in disposal of Inspection Reports and Audit Notes—It was stated on behalf of the Department that all the pending Inspection Reports and Audit Notes had already been submitted to the Committee. This was confirmed by the Audit. As the Department has complied with the objection, the para. was dropped.

(13) Pages 60-62, paragraph 17-VII (a)—Delay in preparation of Accounts documents and balances under adjusting Heads—Same observations as in the case of item (12) above.

(14) Page 167, Item No. 8—Stores Accounts—The Committee decided to consider this item at its next meetings to be held in December, 1965.

(15) Page 35, paragraph 17(a)—Fictitious Stock Adjustment in Accounts—No working papers were submitted. The department asked for time in view of the fact that they had recently been informed that this was an item concerning their department because the original references have been made to the Communications and Works Department.

The Committee decided that this item should also come before it at its next meetings to be held in December, 1965, when the Department, should furnish a detailed report to the Committee.

## FOOD DEPARTMENT

III. The Committee then considered the explanations of the Food Department in respect of the following items pertaining to Appropriation Accounts for 1957-58, which were considered by the previous Committee at its meeting, held on 22nd May, 1965 and further information was asked for:—

(1) *Page 39, paragraph 17 (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 was located as having been misposted, mis-classified, and the fact was verified by the Audit. The balance of Rs. 2 lakhs and odd could not be traced. The matter was considered by the previous Committee on 22nd May, 1965. The Director, Food Department, stated that he was continuing his effort 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. The Committee was of the view that "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 related to the year 1949 and much water had since flowed down the Indus: there has been integration; there have been so many other changes; these have been so many shiftings and, therefore, the records must be in a very bad shape. However it was 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 that Committee that he would initiate action on these lines and put an Officer on this job.

The Department now stated that the Accounts Officer, Hyderabad Region, was assigned this job. He has traced out further transactions in the aggregate amount of Rs. 93,000 and that the record was under scrutiny of the Audit. It was further stated by the Department that serious efforts were being made to trace out the record relating to remaining amounts. The Committee directed that the result of the investigation in process should be reported to the Committee at its meetings to be held in December, 1965.

(2) (i) *Page 40, paragraph 17(c) (26) (i)—Outstanding Recoveries Rs. 13,80,028*—The Secretary of the Department stated that the present position of the recoveries as compared with the position at the previous meeting is as follows:—

				Position at the time of last meeting	Present position
				Rs.	Rs.
Amount recoverable	..	..	..	13,80,028	13,64,853
Amount located	..	..	..	9,30,646	9,30,646 + 2,58,644
Amount yet to be located	..	..	..	4,49,382	1,65,363
Amount recovered	..	..	..	3,31,128	3,31,128 + 6,000
Amount outstanding	..	..	..	10,48,900	10,17,525

The Committee decided that further progress be reported to the Committee at its meetings to be held after December, 1965.

(ii) *page 40, paragraph 17 (c)(26) (iv)—Outstanding recoveries Rs. 29,000—*The Committee was informed that the matter was sub-judice.

The suit was decreed against the Government against which an appeal had been filed.

The Committee decided that the progress of the case should be reported to the Committee after the appeal was decided.

(3) *Page 41, paragraph 17 (c) (27)—Shortage of Stores Rs. 27,479—*In the meeting of the previous Committee held on 22nd May, 1965, the Director, Food Department, undertook to locate the shortage to the extent of Rs. 26,579. He informed the then Committee that the officer responsible for the remaining shortage of Rs. 900 had been charge-sheeted and the result was awaited. The Committee was now informed that the inquiry could not be finalized.

The Committee decided that the inquiry should be completed and the result be reported to the Committee at its meetings to be held after December, 1965.

IV. The Committee then considered the explanations of the Food Department in respect of following items pertaining to Appropriation Accounts for the year 1958-59:—

(1) *Page 239, paragraph 27—Outstanding recoveries of Government dues Rs. 90,773—*Secretary, Food Department, stated that as matter related to Agency area and was 18 years old, it was very difficult for the Department to take further action in the matter, specially as the Political Agent and his Assistant have retired from Government service.

The item was dropped.

(2) *Page 4, paragraph 8, read with page 97—Head 14-G.A.-D—Commissioners—17(4)—Expenditure on Civil Supplies and Rationing—Excess Rs.292—*The Committee decided to accept the explanation of the Department and to drop the item.

(3) *Page 4, paragraph 3 read with page 94—Head 14-G.A.C—Secretariat and Headquarter—Estt-12-I—Civil Secretariat—(i) Food and Forest Department—Excess Rs.3,231—*

The explanation was considered satisfactory and the item was dropped.

V. The Committee thereafter considered the explanations of the Food Department in respect of the following items pertaining to Appropriation Accounts for 1959-60.

(1) *Page 41, item 7—Shortage of Food Stuff—*

(i) *Shortage of Wheat of the Value of Rs. 22,203—*The amount having been written off, the item was dropped.

(ii) *Shortage of Wheat of the Value of Rs. 18,738—*The amount was claimed to have been written off. The item was dropped subject to verification by Audit.

(iii) *Shortage of Sugar, worth Rs.861—*The Committee decided that efforts should be made to reconcile the payments with the Audit at the next visit of Audit party to Kalat Region. A report should then be submitted to the Committee.

(iv) *Shortage of 1,003 gunny bags of the value of Rs. 1,000—*The amount having been recovered from the Contractor, the item was dropped subject to verification by the Audit.

(2) *Page 53-V—Schemes of State Trading—*The Audit objection was that Consolidated Running Accounts of the Food Grains Supply Scheme for the year 1955-56, 1956-57, 1957-58, 1958-59 and 1959-60 had not been furnished by the Food Department to the Audit.



The Committee desired that the Department should settle a time table with the Audit for the reconciliation of their figures and make efforts to complete the job as early as possible.

The Committee recommended that to overcome the difficulties obtaining at present in the existing form in which running accounts were being kept, it would be advisable to discontinue this system and to close the accounts at the end of each year.

(3) Pages 54—57—*Delay in disposal of Inspection Reports and Audit Notes—*

(i) Page 55, serial No. 11 }

(ii) Page 56, serial No. 9 }

(iii) Page 57, serial No. 7 }

The items were dropped.

(4) Page 206, note No. 5—*Embezzlement by a Sugar Inspector*—The Department stated that the Sugar Inspector was tried in a Court of Law and was finally sentenced to 2 year's rigorous imprisonment and a fine of Rs. 2,000. A sum of Rs. 1,300 was paid by the accused. His Security Deposit of Rs. 110 was also adjusted against the loss and the balance of Rs. 7,458 was written off. The services of the Assistant Food Controller, Incharge, who failed to verify the stocks properly, were also terminated. The Committee was satisfied with the explanation and the item was dropped.

(5) Page 216, serial No. 19—*Loss of moveable property worth Rs. 352*—The Department stated that during the year 1951-52, 2026 empty gunny bags were given to the Tehsil Agency, Nowshera for procurement of indigenous wheat. 1746 bags were returned by the Tehsil Staff leaving a balance of 282 bags. An acknowledgement of the then Kanoongo is available on record. Although the official had since retired yet he was asked to account for the missing bags. His statement that the bags were handed over to his successor could not be established from the material available on the record. The matter was still under investigation with the Deputy Commissioner, Peshawar, who was taking steps to recover the loss from the party at fault. The Committee was satisfied with the explanation and dropped the item.

VI. The Committee then adjourned to meet again on 25th November, 1965 at 9-00 A.M.

LAHORE ;

Dated the 24th November 1965. }

ZAIN NOORANI

CHAIRMAN

Standing Committee on Public Accounts,

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 25TH NOVEMBER, 1965 IN COMMITTEE  
ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**I. The following were present :—**

- |   |  |
|---|--|
| (1) Mr. Zain Noorani, M.P.A.  | .. Chairman.   |
| (2) Ch. Muhammad Nawaz, M.P.A.  | .. Member.   |
| (3) Rai Mansab Ali Khan Kharal, M.P.A.  | .. Member.   |
| (4) Ch. Muhammad Sarwar Khan, M.P.A.  | .. Member.   |
| (5) Mr. Mahmood Azam Farooqi, M.P.A.  | .. Member.   |
| (6) Syed Yusaf Ali Shah, M.P.A.   | .. Member.   |
| (7) Mr. Bashir Ahmed Mirza, P.C.S., Secretary,<br>Provincial Assembly of West Pakistan.   | <i>Ex-officio</i> Secretary.   |
| (8) Mr. Mukhtar Masood, T.Q.A., C.S.P., Secretary<br>to Government of West Pakistan, Finance De-<br>partment.   | Expert Adviser.  |
| (9) Mr. Ahmad Ali Shah, P. A. & A. S., Accountant-<br>General, West Pakistan.   | By invitation.   |
| (10) Mr. Aslam Iqbal, C.S.P., Member, Finance, Road<br>Transport Corporation.   | By invitation (at<br>the time of con-<br>sideration of<br>items relating to<br>their respective<br>Departments). |
| (11) Mr. Hamid Moin-ud-Din, Controller of Branches,<br>Agricultural Development Bank of Pakistan.   |  |
| (12) Mr. Muhammad Hamid, C.S.P., Deputy Secretary<br>(General) Services and General Administration<br>Department.   |  |
| (13) Mr. Muzaffar Ahmad, C.S.P., Deputy Secretary to<br>Government of West Pakistan, Industries De-<br>partment along with representatives of the West<br>Pakistan, Industrial Development Corporation. |  |
| (14) Mr. I. U. Khan, S. Pk., C.S.P., Member, Board of<br>Revenue, West Pakistan.  |  |

II. At the outset the Accountant-General, West Pakistan, brought to the notice of the Committee that the Departments who had to prepare the working papers for the present meetings of the Committee had submitted their draft working papers for audit comments a few days prior to the commencement of the meetings with the result that there was a great rush of work in his office for their disposal; that in many cases old records were to be consulted and in some cases the information had to be obtained from the audit offices located at Peshawar and Karachi. He pointed out that it became very difficult for him when given such short time to go through all the cases after referring to the old records as well as consulting other Audit Offices whenever necessary. In this connection he placed before the Committee a statement "Appendix C" showing the names of the Departments and the dates on which they submitted their draft working papers for audit comments for the meetings commencing from 22nd November, 1965. He stated that the late submission of working papers not only created problems for his office but also for the Committee as the latter was not given sufficient time in advance to examine these. He pointed out that in their meeting held on 4th May, 1964 the last Committee had decided that the working papers should be consolidated by the Administrative Departments, got printed and supplied to the

Committee at least a week in advance. He suggested that all the Departments might be asked to send draft working papers to the Audit for offering comments at least a month in advance of the commencement of the meetings.

The Committee decided that the Departments should follow, as far as possible, the suggestion of the Accountant-General and send the final working papers to the Secretariat of the Committee at least ten days in advance of the commencement of the meetings of the Committee in which the items were to be considered, to enable the Secretary to make the working papers available to the Members a week before the commencement of the meetings.

III. The Committee then considered the explanations of the following Departments in respect of the items appearing in the Appropriation Accounts for the year 1959-60 :—

#### SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

*Page 49, paragraph 17-III.—Secret Service Expenditure*—The Department stated that the requisite certificate was furnished to Accountant-General in December, 1960. The Committee pointed out to the Accountant-General that he should have informed the Committee about this in the meeting held on 16th March, 1964. The Accountant-General stated that he had obtained a duplicate copy of the certificate for his record. He promised to look into this matter and take action against the official responsible for the loss of this certificate in his office. The para, was dropped.

#### TRANSPORT DEPARTMENT

*Page 3, paragraph 5 read with page 194—Grant No. 36—Miscellaneous—*  
*Head "Grant-in-Aid to Flying Club"—Saving Rs. 9,677*—As directed by the Committee on 24th November, 1965 the file of the Deputy Commissioner's Office, Lahore, was produced to substantiate the contention of the Transport Department that the bill had been received in Deputy Commissioner's Office very late. On examination of the file, the Committee found that the bill had originally been submitted to the Accountant-General's office on 18th June and returned back on the 20th June. The file of the Deputy Commissioner's Office only revealed a note supposed to have been written by a clerk of the Deputy Commissioner's office, claiming that the bill had been received after 2 months. On further inquiry the Committee found that the bill was to be collected by the Deputy Commissioner's office against presentation of a token issued by the Accountant-General's office. Hence, the Committee was convinced that this was a clear case of negligence and the responsibility for late collection of the said bill, resulting in the lapse of the grant, was that of the Deputy Commissioner's office. The Committee recommended that Government should take suitable action against the officers who were responsible for the lapsing of the grant.

#### FINANCE DEPARTMENT

(1) *Page 3, paragraph 5, read with page 202—Grant No. 37—Extraordinary charges—Final Grant Rs. 2,39,900—Saving Rs. 44,023—*

The Committee found the explanation of the Finance Department to be satisfactory. The para, was dropped.

(2) *Page 3, paragraph 5, read with pages 208—210—Grant No. 42 Loans and Advances by the Provincial Government. Final Grant, Rs. 30,00,54,610—Saving Rs. 10,90,56,097—*

The Committee accepted the explanation given by the Finance Department and directed that the Spending Departments should furnish reasons for the saving under their respective heads to the Committee at its next meetings.

(3) Page 4, paragraph 8—Grant No. 33—Privy Purses and Superannuation Allowances and Pensions—Final Grant Rs. 1,99,90,300—Excess Rs. 46,416—

The explanation of the Finance Department was found to be satisfactory and the para. was dropped subject to regularisation of the excess expenditure.

(4) Page 5, paragraph 9—Charged Appropriation No. 33—Privy Purses and Superannuation Allowances and Pensions—Excess Rs. 95,939—

The Committee accepted the explanation of the Finance Department. The para. was dropped.

(5) Page 4-5, paragraph 9—Charged Appropriation "Public Debt (Discharged)"—Excess Rs. 6,57,91,830—

The Committee accepted the explanation of the Finance Department but recommended that in future better co-ordination should be maintained between the Finance Department, Accountant-General's office and the State Bank.

Out of the total excess, a sum of Rs. 14,35,130 represented debits passed on by the Accountant-General, Pakistan Revenues on account of repayment towards World Bank Loan. On receipt of orders of suspension of recoveries from the Central Government, the Accountant-General, Pakistan Revenues was asked to withdraw the debit. But Accountant-General, Pakistan Revenues could not withdraw the said debit till the close of the year due to non-availability of relevant record which was destroyed by the fire in Accountant-General, Pakistan Revenues Office. The para. was dropped.

(6) Page 207—Grant No. 41—Provincial Miscellaneous Investments, Note 2—Capital invested by Government in various schemes—

The amount of capital invested by Government in various schemes during the year 1959-60 and to the end of the year 1959-60 were as follows:—

Serial No.	Names of Industries	Amount invested during the year 1958-59	Up-to-date amount invested
1	Provincial Road Transport Board ..	Rs. 19,26,890	Rs. 3,81,18,532
2	Small Scale Cottage Industries Corporation ..	5,10,000	15,20,000
3	Panjab Sugar Mills Ltd. ..	..	17,50,000
4	Charsadda Sugar Mills Ltd. ..	..	8,00,000
5	Rural Credit Societies ..	10,00,000	25,00,000
6	Agricultural Bank of Pakistan ..	..	50,00,000
7	Khairpur Agencies Ltd. ..	12,000	12,000
	Total ..	34,48,890	4,07,00,532

In the preliminary examination, the Committee had asked the Finance Department to furnish details of the profits earned by Government on these investments together with a statement as to what were the prospects of profits in future and whether it was advisable to continue investments. The Finance Department furnished some information in respect of each of the seven industries and represent.

atives of the Departments concerned with these industries (except Rural Credit Societies) were present.

1. *Provincial Road Transport Board*—On the suggestion of the Secretary, Finance Department the Committee decided to consider this item on 26th November, 1965 alongwith the consideration of Commercial Accounts of this organisation.

2. *Small Scale Cottage Industries*—Secretary Finance Department suggested that this item might also be considered at the next meeting. The Committee accepted the suggestion.

3. *Panjnad Sugar Mills, Ltd.*—In this case Government investment was in the form of five thousands acres of land given by Government to the sponsors. This land had since been resumed by the Government. It was stated that the accounts for the previous use of the land were being examined by the Revenue Department. The Committee decided that the Revenue Department should furnish to the Committee at its next meetings further details in respect of this item.

4. *Charsadda Sugar Mills, Ltd.*—The Committee noted with great satisfaction that the Charsadda Sugar Mills were now working satisfactorily and that the earlier difficulties had been overcome and the enterprise was making satisfactory profits.

The Committee was of the view, that the main purpose of Government's investment in private industries is to help to set it on its feet, and once this object has been achieved the Government should withdraw its investment provided this does not give a set back to the industry concerned.

In the present case the Committee felt that the Government should have disinvested the amount earlier when the opportunity had arisen and the market was favourable. The Committee further recommended to the Government to consider this when proper opportunity arose in the future.

5. *Rural Credit Societies*—Consideration of this item was deferred as representatives of the Co-operative Department were not present.

6. *Agricultural Bank of Pakistan*—It was stated on behalf of the Bank that they were hopeful that they would shortly be in a position to declare dividends. This was considered satisfactory, particularly in view of the good work being done by them.

7. *Khairpur Agencies Ltd.*—The Committee was informed by the Industries Department that Government Investment was Rs. 10,000 and not Rs. 12,000 as appeared in the Appropriation Accounts. The Accountant-General was asked to verify this statement. The Committee was further informed that for this particular period no return had been received by the Government but subsequent to this, Government had received over a lakh of rupees by way of dividends. However, the Committee was of the opinion that it was not a very healthy practice that managing agencies of industries, where the total investment amounted to over a crore of rupees, is given to private commercial groups with the approval of the Government, particularly in cases where the Government did not have majority of shares. In the opinion of the Committee, Government should either hand over such industries to organisations like Pakistan Industrial Development Corporation or manage it departmentally.

III. At this stage the Committee examined the following item pertaining to Appropriation Accounts for 1958-59.

Pages 38-40—*Financial Review of the Lower Sind Barrage*—The previous Committee at its meeting held on 27th May, 1965 had recommended that Finance Department should accord due recognition to the drainage scheme of the Ghulam Muhammad Barrage Area while deciding priorities to various schemes for the purposes of provision of funds. The Finance Department informed the

Committee that it was already fully alive to the need to provide adequate funds for the Salinity Control Scheme of Ghulam Muhammad Barrage and pointed out that Rs. 1.64 crores was provided for it in the budget of 1965-66. The Committee appreciated Finance Department's action.

IV. The Committee then proceeded to consider the following item in respect of Appropriation Accounts for 1957-58 in respect of which the Finance Department furnished the working paper.

*Page 5, paragraph 5 read with pages 68-69. Grant No. 1—Salt. Grant—Nil. Expenditure Rs. 69,346. Excess Rs. 69,346—*

Under the head "5-A—Capital Outlay on Salt Works" an expenditure of Rs. 69,346 was shown which was not provided for in the budget. The previous Committee at its meeting held on 24th May, 1965 asked the Finance Department to find out as to who was responsible for this.

The Finance Department stated :—

"During the year, 1957-58, the Major head "5-A—Capital Outlay on Salt Works" was not operative. This head of account was opened with effect from the financial year, 1958-59, no budget grant/Supplementary Grant was obtained by the Finance Department under this head. It is not clear why the Accountant-General, West Pakistan has booked an expenditure of Rs. 69,346 under the head of account which was not in existence during 1957-58.

In fact the expenditure in question should have been booked under the head "5—Salt—10—Outlay on Salt Works". Although there was no provision under the head "10—Outlay on Salt" under the Major head "5—Salt" in the Budget Estimates 1957-58, the expenditure could have been covered by Re-appropriation within the grant because there is an over-all Saving of Rs. 7,50,495.00. Since the expenditure has been booked under wrong Head of Account by the Audit Office, the Administrative Department or the Finance Department cannot be held responsible for it".

The Accountant-General wanted some time for his comments in the matter. The Committee deferred consideration of the item to its next meetings in December, 1965.

## REVENUE DEPARTMENT

IV. The Committee then considered the explanations of the Revenue Department in respect of the following items appearing in the Appropriation Accounts for 1959-60 :—

(1) *Page 3, paragraph 5 read with page 183. Grant No 32—Famine—Final Grant Rs. 18,15,500. Saving Rs. 2,72,895—*

The Committee was satisfied with the explanation furnished by the Department. The para. was dropped.

(2) *Page 7, paragraph 12—Grant No. 32—Famine—Supplementary Grant proving unnecessary—*

The Committee was satisfied with the explanation furnished by the Department. The para. was dropped.

(3) *Page 3, paragraph 5, read with pages 192—202. Grant No. 36—Miscellaneous—E—Irrecoverable Temporary Loans and Advances written off J-7—(c)—Demarcation of Indo-Pakistan Boundary—G—Miscellaneous Compensation—Saving Rs. 2,39,453—*

The Department explained the saving of Rs. 2,39,453 as follows :—

(a) *E—Irrecoverable Temporary Loans and Advances written off—* According to the Department, there was difference between the figures adopted by Audit

Office and those available with the Department. The figures given by Department were as under :—

		Final Grant	Actual expenditure	Saving
		Rs.	Rs.	Rs.
Figures as per Audit Office	..	1,89,319	1,36,192	53,127
Figures as per Department	..	1,83,320	1,36,192	47,128

The Committee decided to take up this item at its meeting to be held after December, 1965 and asked the Department to reconcile the figures with Audit in the mean-time.

(b) J-7—(c) *Demarcation of Indo-Pakistan Boundry*—In this case also, there was difference of figures. The Department gave the following figures :—

		Final Grant	Actual expenditure	Saving
		Rs.	Rs.	Rs.
Figures as per Audit Office	..	1,85,980	48,260	1,37,720
Figures as per Department	..	2,41,980	1,79,067	62,913

The Committee made the same observations as in case of item (a) above.

(c) G—*Miscellaneous Compensation*—In this case also there was difference of figures as follows :—

		Final Grant	Actual Expenditure	Saving
		Rs.	Rs.	Rs.
Figures as per Audit Office	..	1,500	..	1,500
Figures as per Department	..	2,000	..	2,000

The Department stated that the reason for the saving of Rs. 2,000 was that this amount was placed at the disposal of Commissioner, Kalat Division, for unforeseen calamities like fire, excessive rain, etc. As the occasion for the utilization of this grant did not arise, the amount was saved. The Committee was satisfied with the explanation and this part of the item was dropped subject to verification of difference by the Audit.

(4) Page 3, paragraph 5 read with page 208—Grant No. 42—*Loans and Advances by the Provincial Government. Head "B-2—Advances to Cultivators"*. Saving Rs. 48,36,273—

The Department stated that there was the following difference in the figures as appearing in the Appropriation Accounts and as available in the Department's records :—

	Final Grant	Actual Expenditure	Saving
	Rs.	Rs.	Rs.
Figures in the Appropriation Accounts ..	2,10,16,520	1,61,80,247	48,36,273
Figures according to Department ..	2,00,92,290	1,61,47,273	48,45,017

The Accountant-General wanted time to verify this. The Committee decided that the difference should be reconciled with the Audit and then reported to the Committee at its next meetings.

The Committee examined the explanations for the saving of Rs. 48,45,017 given by the Department in the working papers.

(a) Rs. 27,01,571—The Committee decided that the Administrative Department should furnish detailed information regarding this saving at its next meetings—

(b) Rs. 8,13,916 and Rs. 13,29,530—Explanation for the saving of Rs. 8,13,916 that it was due to non-finalization of applications for loans in time was accepted. Explanation for the saving of Rs. 13,29,530 was also accepted and to this extent no further information was required.

(5) Page 4, paragraph 8 read with page 80. Grant No. 6—Stamps. Excess Rs. 1,05,511—

After the reconciliation of the figures the actual excess stood at Rs. 25,713. Explanation for excess of Rs. 14,860 was considered by the Committee. The Committee decided that the Department should furnish details of this amount at the next meetings of the Committee. As regards the remaining excess of Rs. 10,853, it was stated that this was because of the payment of commission on the sale of stamps. This was accepted by the Committee.

(6) Page 79—Note 3—“Stores Account”.—The Department stated that stores account had already been furnished to the Audit Office. Accountant-General wanted time to verify this. Subject to verification by Audit the item was dropped.

(7) Page 5, paragraph 8 read with page 87—Grant No. 11—Irrigation Works Head “18—Other Revenue Expenditure Financed from Ordinary Revenues—(b) In-charge of Civil Officers. Excess Rs. 32,865—The Committee found the explanation to be satisfactory and the item was dropped.

Secretary Finance Department objected to the suggestion of the Accountant-General that the Committee might like to know the reasons for which the grant was reduced by Finance Department without consulting the Spending Department who had already spent the whole amount. The objection was based on the ground that the Public Accounts Committee was not competent to ask for the explanation of the Finance Department for reducing a certain grant in exercise of its power, under the Budget Manual. The Committee deferred decision in this matter to a future date.

(8) Page 5, paragraph 8 read with page 145—Grant No. 19—Scientific and Miscellaneous Departments. Head “L—Examination”. Excess Rs. 2,920—With regard to the excess of Rs. 648, the Revenue Department requested for more time for furnishing the explanation and the Committee decided to consider this at its next meeting to be held in December, 1965—



With regard to the excess of Rs. 2,272 it was stated that it was drawn by the Examiners as honorarium due to them during the following years but notification was sent to Director Land Records:—

	Rs.
1956-57	1,237
1957-58	123
1958-59	912
	<hr/> 2,272 <hr/>

The explanation was satisfactory and this part of the item was dropped.

(9) *Page 7, paragraph 12 read with page 76—Grant No. 4—Land Revenue*—The objection of the Audit was that Supplementary Grant of Rs. 19,43,110 was partly not necessary as there was a saving of Rs. 16,39,715 and this was a case of wrong budgeting. The Department furnished reasons for the saving under the following sub-heads:—

*O—Survey Settlement—Rs. 1,00,000*—Explanation of the Revenue Department for this saving was accepted by the Committee.

*Colonization Operations—Rs. 6,91,260*—The Committee found the explanation of the Revenue Department satisfactory.

*Colonization Operation—Rs. 25,559 and Rs. 1,42,446*—The Committee was satisfied with the explanation furnished by the Department.

*Special Revenue Establishment—Rs. 5,24,190*—The Committee did not consider the explanation of the Department to be satisfactory and asked the Department to elucidate it further. The Revenue Department asked for time for further elucidation of the explanation and the Committee agreed to time being given. The Committee decided to take up the item at the next meetings of the Committee to be held in December, 1965.

*District Charges—Rs. 1,08,760*—Same remarks as in the case of previous sub-head.

*J—Works—Rs. 47,500*—According to Revenue Department the savings were due to the fact that the Executive Engineer B. & R. was requested to undertake the construction and repairs to Patwarkhanas in Dera Ismail Khan District. He advised that the work should be entrusted to private parties after calling tenders. Accordingly tenders were invited but no contractor came forward to undertake the work and hence the saving.

The Committee dropped the item so far as the Revenue Department was concerned.

The Committee desired that the explanation of the Executive Engineer, B. & R., concerned should be called for and placed before the Committee as to the reasons for the Executive Engineer's refusal to undertake the construction and repairs to the Patwarkhanas. The explanation will be obtained by the Revenue Department through the Communications and Works Department and furnished to the Committee. Intimation to this effect will be sent to Communications and Work Department by the Secretary Assembly also. Communications and Works Department shall obtain from the Executive Engineer detailed explanation and forward it to the Revenue Department.

(10) *Pages 39-40, paragraph 3—Withdrawal from Treasury in anticipation of actual requirement*—The delay in returning the money to the Treasury needed further explanation. The Department agreed to give full explanation at the next meetings of the Committee.

(11) *Page 40, paragraph 4—Withdrawal of money in anticipation of actual requirements*—The delay in returning the money to the Treasury needed further

explanation. The Department agreed to give full explanation at the next meetings of the Committee.

(12) (i) *Page 40, paragraph 5 (i). Unnecessary retention of Government money in hand*—The item was deferred till the next meetings of the Committee at which the Revenue Department would furnish the detailed information.

(ii) *Page 40, paragraph 5 (ii)*—The explanation furnished by the department was considered to be satisfactory by the Committee and the item was dropped.

(13) *Page 41, paragraph 6—Misappropriation of Government money*—The explanation was considered to be satisfactory and the item was dropped.

(14) *Page 118, paragraph 7—Embezzlement of Government money*—The Revenue Department was asked to furnish detailed information at the next meetings of the Committee.

The Committee recommended to the Finance Department that some method should be evolved for proper collection of fines imposed by the Presiding Courts so that the fine is not collected in cash in the Courts and the chances of embezzlement by the staff of the Magistrates were eliminated.

(15) *Page 216, Item 20—Unnecessary retention of Government money*—The explanation was found to be satisfactory and the item was dropped.

(16) *Page 216, Item 21—Misappropriation of permanent advances*—The explanation of the Department was found to be satisfactory and the item was dropped.

(17) *Pages 54—56, paragraph VII (i) (a) and (d) —Delay in disposal of Inspection Reports and Audit Notes*—The Committee decided that the progress regarding action already taken by the Revenue Department in the matter should be reported by the Department to the Committee at its next meetings to be held in December, 1965.

(18) *Page 4 read with page 84—Grant No. 9—Registration—Excess Rs. 2,723—*The Committee accepted the explanation of the Department and dropped the para but stressed upon the Department the necessity of first obtaining the necessary funds and then making expenditure.

#### EXCISE AND TAXATION DEPARTMENT

The Committee decided to consider the items relating to this Department on 26th November, 1965.

V. The Committee decided to consider explanations of the remaining Departments in respect of items in Appropriation Accounts at its next meetings to be held in December, 1965.

The Committee desired that the Departments concerned should submit complete working papers to the Committee Secretariat, if any of them had already not done so, to enable the Secretary to make the papers available to the Members in advance of the commencement of the next meetings.

VI. The Committee then adjourned to meet again on 26th November, 1965 at 9.00 A. M.

LAHORE:

Dated 25th November, 1965.

ZAIN NOORANI,

CHAIRMAN,

Standing Committee on Public Accounts.

## APPENDIX 'C'

## STATEMENT SHOWING THE NAMES OF THE DEPARTMENTS AND THE DATES ON WHICH THEY SUBMITTED WORKING PAPERS FOR AUDIT COMMENTS

Serial No.	Name of Department	Received from	No. and date	Received in the office of the Accountant-General West Pakistan	Date of disposal
1	Basic Democracies Department	S. O. IX B. D.	VAID/Bud/2-56 dated 15th November, 1965.	15th November, 1965 ..	17th November, 1965.
2	Ditto	Ditto	Ditto ..	Ditto ..	19th November, 1965.
3	Ditto	Ditto	Ditto ..	Ditto ..	Ditto.
4	Ditto	S. O. VIII B. D.	L-G-7-(3)/65, dated 16th November, 1965.	16th November, 1965	Ditto.
5	Augaf Department	Secretary, Augaf Department.	XXXIII (61)/Augaf/64 (A-7), dated 15th November, 1965.	Ditto	18th November, 1965.
6	Information Department	Secretary, Information ..	ABO-1-(14)/84, dated 8th November, 1965.	17th November, 1965 ..	22nd November, 1965.
7	Planning & Development Department	Section Officer (General)	E&A (P&D)-4 (42)/03, dated 19th November 1965.	19th November, 1965 ..	23rd November, 1965.
	Board of Revenue, West Pakistan, Lahore.	Budget Officer, Board of Revenue, Lahore.	736/65/1420.BAL, dated 16th November, 1965.	16th November, 1965 ..	22nd November, 1965.
9	Agriculture Department	Section Officer, Agriculture IV, Agriculture Department, Lahore.	16 (6) SOA-IV/65, dated 18th November, 1965.	19th November, 1965 ..	22nd November, 1965.
10	Health Department	Section Officer IX	SOIX-2-8/64, dated 20th November, 1965.	20th November, 1965 ..	23rd November, 1965.
11	Industries Department	Audit Officer	DI/Audit/1-56/65/880, dated 15th November, 1965.	15th November, 1965 ..	23rd November, 1965.

**PROCEEDINGS OF MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 26TH NOVEMBER, 1965 IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**I. The following were present:—**

- |   |   |
|---|---|
| (1) Mr. Zain Noorani, M.P. A.   | .. Chairman.  |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. Member.  |
| (3) Rai Mansab Ali Khan Kharal, M.P.A.  | .. Member.  |
| (4) Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. Member.  |
| (5) Mr. Mahmood Azam Farooqi, M. P. A.  | .. Member.  |
| (6) Syed Yusuf Ali Shah, M.P.A.   | .. Member.  |
| (7) Mr. Bashir Ahmad Mirza, P.C.S., Secretary,<br>Provincial Assembly of West Pakistan  | .. <i>Ex-officio</i><br>.. Secretary.   |
| (8) Mr. Mukhtar Masood, T.Q.A., C.S.P., Secretary to Government of West Pakistan, Finance Department  | .. Expert Adviser.  |
| (9) Mr. Ahmed Ali Shah, P. A. & A. S. Accountant-General, West Pakistan   | .. By invitation.   |
| (10) Mr. Riaz-ul-Hassan, P. A. & A. S. Joint Director, Commercial Audit   | .. Ditto.   |
| (11) Mr. Shah Jahan S. Karim, C.S.P., Secretary to Government of West Pakistan, Excise and Taxation Department, Board of Revenue, West Pakistan | } By invitation (at the time the items relating to their respective Departments were considered.) |
| (12) Chaudhri Imtiaz Ali, Additional Secretary, Excise and Taxation.  |   |
| (13) Mr. A. R. Qazi, Secretary to Government of West Pakistan, Irrigation and Power Department.   |   |
| (14) M. A. Qayyum, C.S.P., Chairman, West Pakistan Road Transport Corporation.  |   |

**EXCISE AND TAXATION DEPARTMENT**

**II. The Committee in the first instance, considered the explanations of the Excise and Taxation Department in respect of the following three items pertaining to Appropriation Accounts for the year, 1959-60, which could not be considered by the Committee at its meeting held on 25th November, 1965:—**

**(1) Page 3, paragraph 5 read with page 75—Grant No. 3—Opium—**

	Rs.
Final Grant	.. 17,38,500
Saving	.. 1,90,370

The Committee was not satisfied with the explanation furnished by the Department and further noted that full particulars for the savings under each sub-head were not given. The Department asked for more time to furnish detailed information. The Committee decided to consider this paragraph at its next meetings to be held in December, 1965.

**(2) Page 7, paragraph 12 read, with page 78—Grant No. 5—Provincial Excise—Supplementary Grant Rs. 32,450, Final Saving—Rs. 2,25,604—**In this case the Department had obtained supplementary grant although there was an overall saving. Explanation of the Department was that it was due to lapse on the part of the then Director of Excise and Taxation not to give the full facts to the Finance Department. The Committee found that it was a case of wrong budgeting and

desired that efforts should be made to avoid such budgeting in future. The Para, was dropped.

(3) *Page 79—failure to furnish store accounts for the years, 1957-58 to 1959-60*—The Department stated that the Accounts had by then been submitted. The Committee was not satisfied with the reasons furnished for the delay in submission of accounts and hoped that no such delay would occur in future and the Department would supply Accounts immediately after the close of every year.

The Committee found that the Department had not considered the question of taking suitable action against the persons responsible for his delay, despite the decision of the previous Committee to that effect. The Committee decided to impress once again upon the Department that immediate steps should be taken to go into this matter and the progress be reported at the first meetings of the Committee to be held in 1966.

III. The Committee then considered the explanation of the Department in respect of the following item pertaining to Commercial Accounts for the year, 1959-60.

*Page 10, Para 18 XIV-Non-compilation of Accounts of the Opium and Alkaloids Factory, Lahore*—The Committee decided that its observations and the decision in Para, II-(3) above should apply to this item also.

#### IRRIGATION AND POWER DEPARTMENT

IV. The Committee then considered the explanation of the Department in respect of the following items pertaining to Commercial Accounts for the year, 1958-59.

*Page 10, Para. 18. (xiii) failure to compile correct Accounts of the General Steel Mills, Moghalpura*—The Committee was informed that the Accounts had been prepared and included in the Commercial Accounts for the year, 1961-62. The Para was dropped.

V. The Committee then considered the explanations of the Department in respect of the following items pertaining to Commercial Accounts for the year, 1959-60.

(1) *Page 10, para, 18 (ix)—Failure in the preparation of Accounts of the Electricity Scheme in Peshawar and Dera Ismail Khan Divisions*—The Department explained that they had by then prepared the accounts for the year, 1955-56, 1956-57, 1957-58 and 1958-59 in a proper and correct manner and had submitted the same to the Audit, on 23rd November, 1965. Pending the scrutiny of the accounts by the Audit, the Committee was not in a position to know whether these accounts were prepared properly and correctly at this time also or not. But the Committee was greatly concerned with the fact that the accounts went from the Department to the Audit and from the Audit back to the Department at least four times which showed lack of efficiency on the part of the Accounts Section of the Department. The Committee observed that it would be entirely in the interest of the Department to take adequate steps to ensure that the Accounts are properly maintained and properly submitted at regular intervals to the Audit as required under rules. Subject to Verification of Audit the para. was dropped.

(2) *Page 10, Para, 18 (x)—Non-preparation of Accounts of Moghalpura Irrigation, Workshops Division, Moghalpura*—Same remarks as in the case of item number (1) above.

(3) *Page 10, Para. 18 (xi) Non-preparation of accounts of General Steel Mills, Moghalpura*—Same remarks as in the case of item number (1) above.

## TRANSPORT DEPARTMENT

VI. The Committee then proceeded to examine the explanations of the Road Transport Corporation in respect of the following items of the Commercial Accounts for the year, 1959-60:—

(1) *Page 10, paragraph 18 (xv)—Failure to revise the Accounts of Government Transport, Khairpur*—The Accounts having been prepared and included in the Commercial Accounts for the year, 1962-63, the Para was dropped.

(2) *Page 222, paragraph 98—Shortage of stores worth Rs. 16,87,321*—The Chairman Road Transport Corporation stated that action was being taken against such of the officers who were guilty of shortages and were still in service for the recovery of losses to the extent they were responsible. The Committee decided that the Road Transport Corporation should report further progress to the Committee at its next meetings to be held in December, 1965.

(3) *Page 222, Paragraph 198—Pilferage of 497½ lbs. of Tin Ingots valuing Rs. 4,444*—Chairman, Road Transport Corporation stated that the Head Store Keeper who was guilty of pilferage has been sentenced to one year's rigorous imprisonment. The Store Keeper had furnished a security bond of Rs. 5,000 in the form of Fidelity Bond with the Co-operative Insurance Company. A claim with the Company was lodged on 5th March, 1965. The Committee desired that the Road Transport Corporation should examine the prospects for the recovery of the amount and report to the Committee at its next meetings, the progress made.

The Committee further decided that action be taken by the Road Transport Corporation against the officer concerned for lodging the claim with the Insurance Company so late.

(4) *Page 222, paragraph 200—Delay in Disposal of obsolete spare parts Rs. 1,95,383.*

The Committee decided that the Road Transport Corporation should report to the Committee at its next meetings:—

(i) the total amount recovered as a result of disposal of obsolete spare parts;

(ii) amount of resultant loss sustained in the transaction; and

(iii) the efforts made to dispose of the remaining spare parts, if any.

The Committee recommended that in future the Road Transport Corporation should consider making purchase of relevant spare parts a condition at the time of disposal of their buses which were no more required by them. In the opinion of the Committee if this were done, the Road Transport Corporation would not have such large stocks of obsolete spare parts left with them.

(5) *Pages 222-223, paragraph 201—Accumulation of surplus and obsolete stores and spare parts (Rs. 1,84,224)*—Same remarks as recorded in item No. (4) above apply to this case.

(6) *Page 223, paragraph 202—Loss due to burning of bus—Rs. 22,085*—The Committee considered the explanation given by the Road Transport Corporation and examined the papers relating to the Departmental inquiry conducted with regard to the fire to the particular bus and was satisfied with the explanation. The item was dropped.

During the discussion it was revealed that the Road Transport Corporation does not insure its buses with any outside agency, instead they have an internal insurance scheme of their own. The Public Accounts Committee directed the Road Transport Corporation to submit to the Committee at its next meetings to be held in December, 1965, details of the working of the internal insurance scheme for the last five years along with a detailed note as to how it would have fared in case the buses had been insured with a commercial insurance company.

At this stage the joint Director, Commercial Audit pointed out that the *Ad-hoc* Public Accounts Committee had taken a decision that all files relating to the writing off of more than Rs. 5,000 should be shown to the Audit before being written off, but the files were on longer being shown to the Audit. The Road Transport Corporation as well as the Finance Department disputed the powers of the Audit to see the files in such cases prior to the Audit. After examining the various rules governing such cases, the Committee decided that Audit should take up this matter directly with the Government if it so desires.

(7) *Page 223, paragraph 203—Shortage of stores in transit worth Rs. 20,000—* In a Unit 20 piston sets and 6 pieces of connecting rod costing Rs. 20,000 despatched by Central Stores organisation of the Board in October, 1958 were received short. The shortage was reported by the Manager of the Unit in July, 1959 i.e., after a period of 9 months. The Manager of the Stores Organization claimed that the stores were duly delivered to the representative of the Unit and a clear receipt obtained. As a result of departmental enquiry one of the accused was acquitted but the Senior Store-Keeper was found guilty.

The Chairman, Road Transport Corporation, explained that the cost of 20 sets of piston rings and 6 pieces connecting rod bearing amounted to Rs. 1,316 and not Rs. 20,000 as stated by the Audit. The Senior Store Keeper was held responsible for the loss to the extent of 40 per cent and Rs. 526.67 had been recovered from him. With regard to the remaining loss Assistant Works Manager and the Driver of the bus were held responsible but they were no longer in service and hence the amount was written off.

The Committee decided that full facts of the case in chronological order, alongwith the relevant papers, be reported to the Committee at its next meetings to held in December, 1965.

(8) *Page 223, paragraph 204—Loss of Rs. 1,13, 215 in the operation of buses—* According to Road Transport Corporation the supposed loss represents the expenditure incurred on the maintenance and up-keep of the depreciated Chevrolet and Bedford buses at Peshawar. Besides this it was pointed out that Road Transport Corporation had to operate services on unremunerative routes in for flung areas.

The Committee desired that the Road Transport Corporation should submit to the Committee at its next meetings to be held in December, 1965 a statement showing the number of buses running in each region during the year under report and the number amongst them which were uneconomical.

(9) *Page 223, paragraph 205—Pilferage of Stores worth Rs. 1,260—*The Road Transport Corporation stated that out of 22 items valuing Rs. 1,260, 13 items valuing 253/5/- were reconciled and adjustments were carried out in the book. For the remaining items, the Stores Keeper was held responsible. A sum of Rs. 870 had been recovered from him and efforts were being made to recover the balance of Rs. 135/94 through conciliation court, as the Store Keeper was no more in service. The Committee was satisfied with the explanation.

With regard to the Audit objection for non-production of record, the Road Transport Corporation stated that the same had now been traced and could be produced as and when required. The item was dropped on the assurance that the Road Transport Corporation would produce the relevant record to the Audit whenever required.

(10) *Page 224, paragraph 206—Failure to obtain refund of Road Tax Amounting to Rs. 58,512—* According to the orders of Government, Road Tax becomes refundable in respect of the vehicles which remain off road for a complete month. To take advantage of the provision an intimation is to be sent to the Taxation Department, in respect of the vehicles which either remained off road in the previous quarter or are likely to remain garaged during the succeeding quarter.

During the course of Audit of accounts of a unit it was found that a sum of Rs. 6,685 became due on account of Road Tax in respect of vehicles remaining off road during the period from 1st April, 1957 to 30th June, 1959 but the refund could not be obtained from the Taxation Department due to delay in preferring the claim. Similarly in another Unit, refund of Road Tax amounting to Rs. 22,471 and Rs. 29,356 was not obtained in respect of vehicles which remained off road during the period from 1st April, 1955 to 30th June, 1959 and 1st July, 1959 to 30th June 1960, respectively.

The Road Transport Corporation stated that two amounts Rs. 22,471.00 and Rs. 29,356 relating to Lahore Omnibus Service, Lahore, were fully recovered and relevant record shown to Audit; that the balance amount of Rs. 6,685.00 pertained to Government Transport Service, Peshawar and was in the process of recovery and that an appeal had been filed in that connection. The Committee decided that the matter should be placed before it after the appeal was decided.

(11) *Page 224, paragraph 207—Loss of Rs. 97,746*—Audit reported that in a Unit of the Board, the operation of Mercedes Benz and Tiger Cub buses on short routes (Local Services) resulted in a loss of Rs. 97,746 approximately during the year, 1959-60. The buses were subsequently withdrawn on receipt of Double Deckers. The operation of those buses at loss a particularly the Tiger Cub buses which were subsequently put on long routes instead of short routes in view of their suitability for the former, needs justification.

The Road Transport Corporation stated that the loss referred to was actually the difference between the expenditure incurred and the income earned on only a few Mercedes Benz and Tiger Cub buses operated by Lahore Omnibus Service during the year, 1959-60. Road Transport Corporation furnished satisfactory reason for the heavy expenditure on these buses and the Para. was dropped.

(12) *Page 224, Paragraph 208—Shortage of Stores worth Rs. 18,577*—The Committee decided that this matter be placed before it after the action taken by Road Transport Corporation has been verified by the Audit.

(13) *Page 225, paragraph 210—Infructuous expenditure of Rs. 35,909 on the repairs and re-conditioning of buses*—Audit reported that in Rawalpindi Unit a sum of Rs. 30,526 was spent on the repairs and reconditioning of thirty-three buses after these had been taken off road and finally declared unserviceable. In another case repairs to five buses involving an expenditure of Rs. 5,383 were done during the months in which those buses finally went off road. It was explained by the Board that in view of the dearth of buses expenditure of about Rs. 1,000 only per bus was incurred to make them road worthy but this object could not be achieved. Thus the expenditure on repairs of buses and their reconditioning after they had been declared unserviceable proved infructuous.

The Road Transport Corporation stated that repairs and reconditioning had to be done in large numbers due to shifting of the Capital to Rawalpindi coupled with the starting of huge constructions in Islamabad on account of which there was heavy demand for buses otherwise the Road Transport Corporation agreed this normally should have not been done. The Committee accepted the explanation and the Para. was dropped.

(14) *Page 225, paragraph 211—Shortage of cash (Rs. 1,642)*—The Cashier, Body Building Workshop, Lahore was involved in the case of mis-appropriation of cash amounting to Rs. 1,642. He was tried in the Court of Law but acquitted on benefit of doubt. He was reinstated and posted as Junior Clerk instead of Cashier in Lahore Omnibus Service. The Departmental proceedings were taken up against him. He was charge-sheeted and he had submitted his defence but further proceedings were held up because he proceeded on Medical leave as he was suffering from tuberculosis.



The Committee deferred consideration of this paragraph till the outcome of the Departmental proceedings was known. The Committee asked the Road Transport Corporation to take adequate precautions to see that steps were taken to ensure that the official concerned, in case, he desired to leave the service before the completion of Inquiry, was not paid any dues payable to him by the Road Transport Corporation unless the due amount was first received.

(15) *Page 231, paragraph 222—Decline in profits*—The following figures in respect of profits earned by the Road Transport Board were considered by the Committee :—

Year	Capital investment	Net Profit	Percentage of net profit to Capital invested
	Rs.	Rs.	Rs.
1953-54	1,93,24,070	32,40,505	16.77
1954-55	2,48,93,540	35,36,329	14.21
1955-56	3,13,74,480	34,94,329	11.13
1956-57	4,27,42,210	12,47,484	2.91
1st April to 14th October, 1957	4,27,42,210	7,97,886	1.86
15th October, 1957 to 31st March, 1958.	5,89,07,705	13,27,605	2.25

The Road Transport Corporation admitted that there was decline in the profits during the year, 1956-57 and 1957-58. These profits upto 14th October, 1957, pertained to the former Punjab Road Transport Board, and on 15th October, 1957, all the Provincial Road Transport Boards were integrated into West Pakistan Road Transport Board.

The Road Transport Corporation stated that the decline in profits was due to abnormal increase in expenditure.

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

#### FINANCE DEPARTMENT ROAD TRANSPORT CORPORATION

VII. At this stage, Secretary Finance Department suggested that the Committee might consider the Finance Department's item regarding Grant No. 41—Provincial Miscellaneous Investments appearing at page 207 of the Appropriation Accounts for the year, 1959-60—Note 2—Government Investment in Provincial Road Transport Board—Rs. 3,81,18,532 the consideration of which was deferred in the meeting held on 25th November, 1965. The Committee decided, to consider this item at its next meetings to be held in December, 1965.

VIII. The Committee further decided to consider the remaining items relating to Road Transport Corporation at its next meetings to be held in December, 1965.

IX. The Committee then adjourned to meet again on 27th November, 1965 at 9.00 A.M.

LAHORE :

The 26th November, 1965.

ZAIN NOORANI  
CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 14TH APRIL, 1966 AT 10.30 A.M.  
IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE**

**I. The following were present:—**

- |  |    |                 |
|--|----|-----------------|
| (1) Mr. Zain Noorani, M.P.A.   | .. | Chairman.       |
| (2) Chaudhri Muhammad Nawaz, M.P.A.  | .. | Member.         |
| (3) Mr. Mahmood Azam Farooqi, M.P.A.   | .. | Member.         |
| (4) Chaudhri Muhammad Sarwar Khan, M.P.A.  | .. | Member.         |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.   | .. | Member.         |
| (6) Mr. Muhammad Mohsin, C.S.P., Additional Finance Secretary, Government of West Pakistan along with Mr. G.D. Memon, Joint Secretary, Finance Department. |    | Expert Adviser. |
| (7) Mr. Riaz-ul-Hasan, P. A. & A. S. Accountant-General, West Pakistan.  |    | By invitation.  |
| (8) Khan Fazlur-Rahim Khan, Joint Secretary to Government of West Pakistan, Agriculture Department.  |    | By invitation.  |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary.

**II. The Committee considered explanations of the Agriculture Department in respect of following item appearing in the Appropriation Account for the year, 1957-58:—**

(1) *Page 5, Para. 5 read with page 249—*

*Grant No. 48—Loans and Advances bearing interest Sub-Head— E-22—  
Taccavi Advances for Digging Open Wells in Non-Barrage Areas.*

	Rs.			
Original Grant	..	..	..	25,00,000
Surrendered	..	..	..	20,62,500
Final Grant	..	..	..	4,37,500
Actual Expenditure	..	..	..	3,68,750
Saving	..	..	..	68,750

This item was originally considered by the previous Standing Committee at its meeting held on 24th May, 1965. In that meeting it was stated that out of the grant of Rs. 25,00,000 for digging open surface wells in non-barrage areas, administrative sanction was accorded for the expenditure of Rs. 4,00,000, only and that too in January, 1958. That Committee recommended action against the officer responsible in the matter.

It was now stated that on 8th October, 1956, the Central Government accorded sanction for the implementation of the scheme at the cost of Rs. 25,00,000 the whole of which was to be provided by the Central Government on the basis of 50% i.e. Rs. 12,50,000 grant and 50% i.e. 12,50,000, loan. On that basis Government of West Pakistan accorded sanction on 15th August, 1957 for implementation of the scheme during 1957-58. Subsequently in supersession of this sanction the Provincial Government accorded revised sanction on 9th December, 1957 by apportioning the amount under two separate heads of accounts i.e. Rs. 12,50,000 under head "Loans to Municipalities—Port Funds, etc.—E-22— Taccavi Advances"....and Rs. 12,50,000 under "40—Agriculture—I—Boring Operations—Contingencies", thus revising the grant under the present head to Rs. 12,50,000.

As certain points essential for implementation of the scheme could not be settled before 29th January, 1958 and it was not possible to utilize the entire amount of Rs. 12,50,000 under this head, the grant was proposed to be revised to Rs. 5,00,000 and Finance Department informed the Agriculture Department that further amount of Rs. 7,50,000—would be allowed as regrant during, 1958-59. Finally an amount of Rs. 4,37,500 only was provided through Revised Estimates. As against this amount the Department spent Rs. 4,94,790 and not Rs. 3,68,750 as mentioned in the Appropriation Accounts. Accountant-General wanted details of the expenditure of Rs. 4,94,790 because his record showed a saving.

It was stated by Finance Department that the original scheme of digging 1,000 wells was revised and the revised scheme provided for digging of 300 wells only.

The Committee decided that full details regarding subsequent revision of the scheme during 1957-58 and the figures of total expenditure during subsequent years out of Rs. 25,00,000 provided for by the Centre should be placed before the Committee at its meeting to be held on 15th April, 1966.

(2) *Pages 33-34, Para. 17 (c)—Agriculture Department.*

(i) *items No. (1)—Shortage of heat seeds 2,144 Maunds and 10 Seers*—According to the Agriculture Department the shortage was to the extent of 87 maunds only which occurred due to theft for which a case had been registered with the Police.

As the difference in shortage has not been reconciled with the Audit, the Committee asked the Department to get in touch with the Comptroller, Southern Area, for verification and after verification submit a report to the Committee by 20th April, 1966 to enable the Committee to reconsider this item at its meeting to be held on 23rd April, 1966.

(ii) *Item No. (2)—Short Recovery*—There were two cases in which wheat and cotton was sold at prices lower than prescribed, thereby causing loss to Government. Although the Deputy Director concerned was not authorised to allow sale at reduced rates, the matter was regularised by Government subsequently. The Committee dropped the item with the observation that the Deputy Director should have been reprimanded for allowing sale at reduced rates and warned not to do such things in future without prior sanction.

(iii) *Items No. (3)—Sales on credit*—There were two cases of sale of wheat on credit, the cost of which was not recovered from the parties. According to the Department the whole amount has since been recovered. Subject to the verification of recovery by Audit, the item was dropped.

(iv) *Item No. (4)—Outstanding Recoveries*—There were two cases of such nature. In the first case taccavi loans aggregating Rs. 1,18,007 were awaiting recovery from the agriculturists. The Department stated that out of Rs. 1,18,007 a sum of Rs. 95,048 has been recovered leaving a balance of about Rs. 23,000 and that the Revenue Department were of the opinion that a sum of Rs. 3,000 was a bad debt while the remaining amount would be recovered. The Committee dropped this item.

In the other case 60 maunds of wheat were issued to a Villager on barter basis but recovery thereof had not been effected. The Department stated that the Revenue Authorities who were approached in the matter had informed that in spite of serving notices on the defaulter they could not make recovery and for this reason Deputy Commissioner had been approached for distress warrant. After perusal of the file of the Deputy Director, the Committee came to know that the defaulter claimed to have paid the amount and had produced receipt therefor to the Mukhtiar and that the Revenue Department were making inquiries whether the amount was credited to treasury by the Tappedar. The Department was asked to intimate the up-to-date position of the case on 15th April, 1966.

The Committee reluctantly observed that the case presented by the Department was completely different from actual facts and probably the possibility of this amount having been recovered and mis-appropriated would not have been brought to light before the Committee, had the Committee of its own, not suspected the explana-

tion given by the Department and gone into it further. This led the Committee to believe that the Department concerned did not give a correct explanation of the item but tried to furnish an explanation moulded and drafted to suit the occasion and to evade issues.

(v) *Item No. 5—Losses of Stores*—There were eight cases of various irregularities involving loss amounting roughly to Rs. 32,900. The Department stated that the objection could not be removed as their record was with the Anti-Corruption Department and the Comptroller did not supply the copy of the Audit Report. The Accountant-General pointed out that copy of the Report had already been supplied by the Comptroller. The Joint Secretary, Agriculture assured the Committee that he would see that the objections were settled and recoveries effected within the next two months.

The Committee decided to consider this item again at its next meetings when it examines the accounts for the year, 1960-61.

III. The Committee deferred consideration of the remaining items to its meeting to be held the next day and adjourned to meet again on 15th April, 1966 at 9:00 A.M.

LAHORE :

The 14th April, 1966.

ZAIN NOORANI

CHAIRMAN

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETINGS OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 15TH APRIL, 1966 AT 9-00 A.M.  
IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING,  
LAHORE.**

**I. The following were present:—**

- |   |    |    |                 |
|---|----|----|-----------------|
| (1) Mr. Zain Noorani, M.P.A.  | .. | .. | Chairman.       |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. | .. | Member.         |
| (3) Mr. Mahmood Azam Farooqi, M.P.A.  | .. | .. | Member.         |
| (4) Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. | .. | Member.         |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.  | .. | .. | Member.         |
| (6) Syed Yusaf Ali Shah, M.P.A.   | .. | .. | Member.         |
| (7) Mr. Muhammad Mohsin, C.S.P. Additional Finance Secretary, Government of West Pakistan along-with Mr. G. D., Memon, Joint Secretary.           |    |    | Expert Adviser. |
| (8) Mr. Riaz-ul-Hasan, P.A. & A.S., Accountant-General, West Pakistan.  |    |    | By invitation.  |
| (9) Mr. Amir Ahmad Khan, S.K., Secretary to Government of West Pakistan, Agriculture Department alongwith Joint Secretary and Regional Directors. |    |    | By invitation.  |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary of the Committee.

**II. The Committee resumed consideration of the explanations of the Agriculture Department in respect of the following items appearing in the Appropriation Accounts for the year, 1957-58.**

**(1) Page, 5, Para. 5 read with page 249—**

*Grant No. 46—Loans and Advances bearing interest—Sub-Head E-22—Taccavi Advances for digging open wells in non-barrage areas—*This item was considered by the Committee at its meeting held on 14th April, 1966 when further details were asked for. As the Agriculture Department could not furnish the said information, the Committee directed that the Department should furnish to the Committee complete figures of expenditure under head "R—Loans and Advances—E-22" and "40—Agriculture", separately for the year, 1957-58 and 1958-59 and also state the number of wells dug during these two years, at the meeting of the Committee to be held on 23rd April, 1966.

**(2) Page 34—Para. 17 (c)—Agriculture Department—**

*Item No. 4 (ii)—Recovery of cost of 60 Maunds of Wheat—*This item was considered by the Committee at its meeting held on 14th April, 1966 when the Department was asked to intimate up-to-date position of the case on 15th April, 1966 but the Department expressed its inability to intimate further details and asked for time. The Committee decided that the Department should explain the position on 23rd April, 1966, when this item will be taken up again.

**(3) Pages 34-35, Para. 17 (c)—Agriculture Department (2) Items No. (6) Irregularities—**Under this item there were eleven cases of irregularities.

The first two cases related to loss of 5 maunds of wheat and shortage of 93 bags of fertilizer. The explanation of the Department was that the defaulter had absconded but legal action was being taken to recover the loss from him. The Department admitted that the absconder was transferred to the Agricultural Development Corporation at the time of re-organization, which should be about 1962 to 1963. The Committee came to the conclusion that from 7th May, 1959 to 1963 or at least

1962, the defaulter could not have been absconding, and had the Agriculture Department been vigilant, the amount could have been recovered. The loss suffered by the Government due to inaction on the part of the Department for a number of years was clearly the outcome of negligence.

The Committee observed that on a number of occasions, it had pointed out to the various Departments the necessity for immediate and adequate action for recovery of Government dues in cases of mis-appropriation and defalcation. The explanations given to the committee from time to time trying to justify delay in tracing the culprits and bringing them to book were generally of a nature, which did not appeal to the Committee.

The Committee felt that sufficient grounds existed for the Agriculture Department to conduct a fresh enquiry as to why efforts were not made to recover this amount in proper time and to find out, who from amongst the supervisory staff was responsible for the delay, and also to examine whether this amount could be recovered from those who were responsible for this delay.

In the third case taccavi loans of Rs. 8936.11 had not been recovered. The Agriculture Department stated that the recovery had since been made. This item was, therefore, dropped subjects to verification of recovery by the Audit.

In the fourth case cost of 150 empty gunny bags had not been recovered. It was stated by the Department that an inquiry was in progress. The Director, Agriculture, Hyderabad stated that he had given one month's notice to the E.A.D.A. to finalise the enquiry. The Committee observed that this was still another case where unnecessary delay had taken place in the conducting of an enquiry involving loss to the Government. The Committee felt that though the amount of Rs. 275 was small, it was a question of principle which was involved; the Department should have been more vigilant in the conducting of the enquiry; the one month's notice which the Director, Agriculture, Hyderabad, had given to the E.A.D.A. ought to have been given at least a year earlier. The Committee desired that the Department should complete the enquiry at the earliest and recover the amount from the person responsible failing which efforts should be made to recover the same from the person responsible for negligence and delay and not attending to this case earlier. Subject to this observation and verification of recovery by Audit, the item was dropped.

The fifth case related to 8 bags of wheat seed which were reported to have been destroyed during transportation. The Committee did not feel satisfied with the explanation furnished by the Agriculture Department that "the shortage being within the competency of the Director, Agriculture, Hyderabad, it might be considered as written-off". It was pointed out to the Committee by the Accountant-General that though such items could be written off, the Director, Agriculture was supposed to issue a formal sanction for the write-off, a copy of which was to be sent to the Audit office for audit, but in this case formal sanction for the write-off had not been given and the Director, Agriculture, Hyderabad admitted that the matter was still under consideration. The Committee felt it necessary to record once again that the Department should be more careful while giving explanations to the Committee in as much as the Committee noticed that there was a tendency on the part of the Department not to present the correct picture to the Committee. The item was, however, dropped with the observation that the Department should take steps to see that the amount being written off was regularised.

As regards the next two cases (6th & 7th) regarding; "Fertilizer 50 bags shown as destroyed during transportation" and "Empty gunny bags 45 bags not taken in stock nor disposal shown", the explanation of the Department was that the recovery was in hand. The Committee felt that the explanation furnished by the Department was not correct, and directed that the matter should be pursued vigorously and recoveries made as quickly as possible after fixing the responsibility. The items were dropped subject to verification of the fact of recovery by the Audit.

Regarding the next two cases (8)—60 empty gunny bags issued in excess of actual requirements to zamindars. Cost not recovered so far, and 9 (i) Paddy-wheat seeds 12 mds. and 19 seers (shown as loss on account of cleaning) and Paddy wheat sheeds 112 maunds (shown as loss on account of cleaning), the Agriculture Department stated that the recovery was being from the officials concerned. The items were deferred to be taken up on the 23rd April, 1966, when the Director of Agriculture offered to produce the necessary file showing the order passed for the recovery.

The next case (No. 10) related to one hundred maunds of wheat seed (shown as affected by white ants, i.e. unserviceable). Explanation of the Department was that there was no shortage in the accounts. The Committee pointed out that this explanation was contrary to the original stand which was that 100 maunds were affected by white ants and if that was correct, how could there be no shortage. The explanation opened up the possibility of the Department having subsequently disposed of one hundred maunds of damaged wheat seed which was unserviceable. The propriety of such disposal in the market of white ant affected wheat seed was very objectionable, because it might have saved Government the cost of one hundred maunds of wheat seed, but on the other hand there was a possibility of vast damage that could have occurred to the crop in the region where this was disposed of and sown. With this observation the item was dropped subject to verification by the Comptroller, Southern Area.

As regards the last case regarding shortage of 12 maunds and 20 seers wheat, the stand of the Agriculture Department was that there was no shortage as the treasury challan revealed that the sale proceeds had been properly accounted for. Subject to verification by the Comptroller, Southern Area the item was dropped.

(ii) *Items No. 7—Loss*—Under this item there were six cases of losses.

In the first case relating to ten maunds of wheat, the responsibility for the loss having been fixed the Deputy Director, Agriculture had been ordered to make recovery. The item was dropped subject to verification of recovery by the Audit.

In the second case regarding loss of 5-20 maunds of paddy, two officials were held responsible, one of whom had migrated to India and the amount due from the other was under recovery. The item was dropped subject to verification of recovery by the Audit.

In the third case 1-20 maunds of wheat were less accounted for. The Department had fixed the responsibility on an officer who had been asked to deposit Rs. 19.50. The item was dropped subject to verification of recovery by the Audit.

As regards the next three cases, the explanation of the Department was that as the record was lying with the Anti-Corruption Department, no explanation could be furnished. Consideration of these items was, therefore, deferred to the meetings when the Committee examines the Accounts for 1960-61.

(iii) *Item No. (8)—Shortage and Sale on credit*—In this case a loss of 327 maunds of Paddy Kangni was shown due to re-weighment of the original total of 4,680 maunds. It was stated by the Agriculture Department that this item could not be explained as the records were with the Anti-Corruption Department. The Committee decided to consider this item along with the examination of the accounts for 1960-61.

There was another case in which paddy weighing 546 maunds was issued to Zamindars but recovery of the cost was not made from them. Agriculture Department stated that the recovery had since been made. Subject to verification of recovery by the Audit this part of the item was dropped.

(iv) *Item No. (9)—Shortage of Stores*—As regards the shortage of 277 bags and 2.7 tons of fertilizers, the Agriculture Department stated that the recovery had been made from the officer concerned. The item were dropped subject to verification of the recovery by Audit.



As regards shortage of 73—20 maunds paddy, the Agriculture Department stated that recovery of cost of 65 maunds had since been made and the recovery of the cost of remaining 8 maunds and 20 seers was being made. The item was dropped subject to verification by the Audit of the recovery already made and the recovery of cost of 8 maunds and 20 seers.

As regards shortage of 18 maunds wheat seed, the explanation of the Agriculture Department was that it was within the percentage of loss allowed. It was pointed out to the Committee that the formal sanction for the write-off had not been issued. The item was dropped subject to regularization.

The Committee once again brought it to the notice of the Agriculture Department the necessity for rigidly observing the procedure with regard to the issuing of formal sanctions of write off a copy of which should go to the Audit.

(v) *Item No. (10)—Shortage—*

(1) *Fertilizer—77 Bags.*

(2) *Cotton seed—46 Maunds and 32 Seers.*

In this case also the record was reported to be with the Anti-Corruption Department. The consideration of this item was, therefore, deferred to the meetings, when the Committee examines the accounts for 1960-61—

(vi) *Item No. (11)—Shortage of Stores.*

*Paddy 479—20 Maunds Empty Gunny Bags—77—Unserviceable.*—As regards the shortage of 479 Maunds and 20 Seers of paddy and 77 empty gunny bags the Agriculture Department expressed its inability to submit explanation as the records of this case were also reported to be with the Anti-Corruption Department. The Committee deferred consideration of this item to the meetings when the Committee examines the accounts for 1960-61.

As regards shortage of 2,403—14—8 maunds of wheat it was stated that Deputy Director, Agriculture, had been directed to conduct the necessary inquiry. The item was deferred to be taken up when the accounts for the year 1960-61 were before the Committee. The Committee desired that in the meanwhile, the Department should take necessary action to effect the recoveries and to report when the item comes up next.

(vii) *Item No. (12)—Theft of Stores—*

*50 Gunny Bags.*—The explanation of the Department was that the matter was reported to the Police who after making investigation had filed the case on the ground that the theft could not be traced. The explanation was considered satisfactory and the item was dropped.

III. The Committee then considered the explanations of the Agriculture Department in respect of the following items appearing in the Appropriation Accounts for the year, 1958-59.

(1) *Page 3, Para. 5 read with page 135—*

*Grant No. 24—Agriculture Improvement and Research—Grant Rs. 93,83,410. Expenditure Rs. 12,35,006—Saving Rs. 81,48,404.*—In this case a sum of Rs. 38,65,210 was first surrendered and there was a saving of Rs. 42,83,194 at the close of the year. The explanation furnished by the Department for the surrender and saving was found satisfactory and the Para. was dropped.

(2) *Page 3, Para. 5 read page 136—*

*Grant No. 25—Veterinary—Saving of Rs. 38,61,918.*—Under this grant also the Agriculture Department first surrendered Rs. 31,31,420 and there was a further saving of Rs. 38,61,918, at the close of the year. The explanation for the surrender and saving was found satisfactory and the Para. was dropped.



(3) Page 3, Para. 5 read with page 228—

Grant No. 47—Loans and Advances bearing interest—

(i) Sub-head E-22—Taccavi Loans for digging wells in non-barrage areas—  
Grant Rs. 8,12,500—Saving Rs. 4,86,880—This item was deferred to be taken up with the identical item relating to the year, 1957-58. The Department had already been asked to lay before the Committee complete figures in respect of digging of wells in non-barrage areas for the years 1957-58 and 1958-59 on 23rd April, 1966.

(ii) Sub-head "E-23—Loans to breeders for live-stock rearing—

Grant Rs. 4,62,500—Saving Rs. 4,62,500—Explanation of the Department was that as approval of the Central Government to the survey report was not received in time, this scheme could not be implemented. The explanation was found satisfactory and the Para. was dropped.

(4) Page, 3 Para 5, read with page 141—

Grant No. 27—Industries—Sub-head "B—Fisheries"—Saving Rs. 64,243—  
The explanation was that certain posts remained vacant till the close of the year. The Committee after proper enquiry was of the opinion that the Department had done all it could to make recruitment but the delay was due to the non-availability of candidates. The Para. was, therefore, dropped.

(5) Page 5, para. 8 read with page 134—

Grant No. 23—Agriculture—Excess Rs. 1,57,47,710—The Department explained the excess as under—

(a) There was an excess of Rs. 1,51,05,871 in the West Pakistan General Circle of Account. This excess was due to the debit raised by the Supply Department on account of the cost of fertilizer purchased during previous year. The explanation of the Department was accepted by the Committee.

(b) An excess of Rs. 22,52,309 occurred in Southern Area Circle of Account. Out of this a sum of Rs. 18,18,493 was due to the debit raised by the Supply Department on account of cost of spare parts purchased during previous year; a sum of Rs. 52,177 related to the extension scheme and another sum of Rs. 3,71,719 was in respect of purchase of improved seeds.

There was, however, a difference of Rs. 9,920 between the excess of Rs. 22,52,309 and Rs. 22,42,389 as per details above. The Department was asked to furnish explanation for this difference on 23rd April, 1966.

(c) There was a counter saving of Rs. 19,33,372 (7,16,088+12,17,284) explanation for which were accepted.

(d) There was an excess of Rs. 62,962 "Under Sub-head "Charges in England" for which the High Commissioner for Pakistan in U.K. had been requested to supply the required information.

There was an overall difference of Rs. 2,59,940 for which no explanation had been given by the Department. The Committee decided that the Department should furnish necessary explanation for this excess along with the explanation for the difference of Rs. 9,920 shown at (b) above.

(6) Pages 33-34, Para. 17 (c) —Agriculture Department—

Item No. (i) —Embezzlement of Cash—The explanation of the Department was that the official concerned having been convicted by the Court his services were terminated. A sum of Rs. 981.95 due to him as arrears of pay had been adjusted against the loss of Rs. 6,242 and the remaining loss of Rs. 5,260.05 had been written off. Subject to the verification of the recovery and the write-off by the Audit, the item was dropped.

*Item No. (ii) -- Loss due to poor yield*—The contention of the Department was that there was actually no loss. The complication took place owing to the wrong results worked out by the Agriculture Assistants who had been warned to be careful in future. The explanation was found satisfactory and the item was dropped.

*Item No. (iii) -- Shortage of Stores*—The contention of the Department was that in fact there was no shortage because the practice in Bahawalpur Division was to assess the weight of wheat boosa equal to wheat grain and boosa was not actually weighed. Its sale was also made informing the buyers that a particular heap of boosa was from a produce of so much maundage of wheat. Instruction had been issued that wheat boosa should be actually weighted at all the farms in the Division before entering it in store books. The explanation of the Department was found satisfactory and the item was dropped.

*Item No. (iv) -- Outstanding Recoveries*—There were two cases of outstanding recoveries. In the first case the Commission Agents were supplied wheat seeds for sale to the cultivators. Out of the sale proceeds, the sum of Rs. 99,380 was outstanding against the Commission Agent. The explanation of the Department was that a sum of Rs. 62,419.22 had been recovered and the balance of Rs. 36,960.79 remained to be recovered. The recovery of this balance was held up due to filing of Civil Suit by some Commission Agents and some cases were pending with the Revenue Authorities. The Committee observed that effort could be made to make total recoveries. With these remarks the item was dropped.

In the other case, the Commission Agents were supplied wheat and cotton seeds for sale to cultivators. Out of sale proceeds a sum of Rs. 5,623 had been outstanding. The explanation of the Department was that this could not be recovered as a Commission Agent has absconded and his whereabouts were not known. The property of the Agent had been confiscated and steps were being taken to move the court to get the property auctioned so that necessary recovery might be effected. The Committee observed that the Department should pursue the matter vigorously and make efforts to recover the entire amount. With these observations the item was dropped.

IV. The Committee then adjourned to meet again at 9.00 A.M. on Saturday the 16th April, 1966.

LAHORE:  
The 15th April, 1966.

ZAIN NOORANI  
CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 16TH APRIL, 1966 AT 9.00 A.M. IN  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE**

**I. The following were present:—**

- |   |    |  |
|---|----|--|
| (1) Mr. Zain Noorani, M.P.A.  | .. | Chairman.  |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. | Member.  |
| (3) Mr. Mahmood Azam Farooqi, M.P.A.  | .. | Member.  |
| (4) Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. | Member.  |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.  | .. | Member.  |
| (6) Syed Yusuf Ali Shah, M.P.A.   | .. | Member.  |
| (7) Mr. Muhammad Mohsin, C.S.P., Additional Finance Secretary, Government of West Pakistan alongwith Mr. G. D. Memon, Joint Secretary, Finance Department.  |    | Expert Adviser.  |
| (8) Mr. Riaz-ul-Hasan, P.A. & A.S., Accountant-General, West Pakistan.  |    | By invitation.   |
| (9) Chaudhri Muhammad Ali, Deputy Director, Audit and Accounts (Works), West Pakistan.  |    | Ditto.   |
| (10) Dr. K.S. Hamid, G.A.R., Deputy Secretary Information Department.   |    |  |
| (11) Brig. Sardar Ali, S.K., Joint Secretary, Home Department alongwith Mr. Tariq Ismail Khan, P.C.S., Deputy Secretary, Mr. Hamid-uz-Zafar, Adviser (Probation and Reclamation) Assistant Director, Civil Defence and the A.I.G. (C.I.D.). |    |  |
| (12) Mr. Abdur Rashid Khan, S.Q.A., P.C.S., Chief Administrator of Aqaf.  |    |  |
| (13) Mr. Mushtaq Hussain Munir, Secretary to Government of West Pakistan, Law Department.   |    | By invitation  |
| (14) Dr. Amir Muhammad Khan, Secretary to Government of West Pakistan, Health Department.   |    | (At the time of consideration of items relating to their Departments.) |
| (15) Mr. Muhammad Hamid, Deputy Secretary, (General), Services and General Administration Department alongwith Registrar High Court of West Pakistan and Director, Anti-Corruption, West Pakistan.  |    |  |
| (16) Mr. Faiz Ahmad Saleem, Deputy Secretary, Planning and Development Department.  |    |  |
| (17) Representatives of the Road Transport Corporation, Small Industries Corporation and Co-operative Development Board   |    |  |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan, acted as Secretary of the Committee.

**II. The Committee considered explanations of the following Departments in respect of the items appearing in the Appropriation Accounts for the year, 1959-60:—**

**INFORMATION DEPARTMENT**

As the Joint Secretary, Information Department, was out of station and could not attend the meeting, the Committee postponed consideration of items relating to

this Department till 9.00 a.m. on the 19th April, 1966, when the Joint Secretary would be able to attend.

### HOME DEPARTMENT

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

Grant No. 38—Miscellaneous—Sub-head—E—Irrecoverable Temporary Loans and Advances written-off—

					Rs.
Final Grant	..	..	..	..	1,200
Saving	..	..	..	..	721

The explanation of the Department was that in fact there was an expenditure of Rs. 1,200 and there was no saving. The Accountant-General informed the Committee that some time ago certain records of his office were destroyed by fire and, therefore, he was not in a position to give exact position of the case. Explanation of the Department was accepted and the para was dropped.

(2) Page 3, Para. 5, read with page 203—

Grant No. 38—Civil Defence—

					Rs.
Final Grant	..	..	..	..	23,83,800
Saving	..	..	..	..	9,39,404

The Assistant Director, Civil Defence, who appeared before the Committee on behalf of the Home Department stated that the work had been entrusted to him only on 14th April, 1966 and, therefore, he could not find out the actual facts which led to the surrender and saving under this grant. On the face of it, he thought, the case was of over-budgeting. The Committee desired that full facts of the case should be placed before it.

(3) Page 47, Para. 17 (c)—Item (31)—Double Payment of a Firm's Bill—The explanation of the Department was that double payment had been made through an over-sight; the amount had been recovered later on and the branch concerned had been warned to be more careful in future.

The Accountant-General pointed out that while preparing the working paper for the Committee, the Department had not reproduced the comments given by the Audit, instead, the reply of the Accountant General to certain clarification asked for by the Department had been reproduced as audit comment. The Committee noted with concern the fact that the Department should have thought it fit to substitute the substance of a routine letter instead of audit comments. The Committee asked the Departments to note that what they are required to reproduce in the working papers are actually the comments of the Audit on the explanation furnished by the Departments and not the text of any further routine communications which may have passed between the Departments and the Audit Department in regard to it. Subject to verification of the recovery by the Audit and the above observation, the para. was dropped.

(4) Page 49, Para. 17 (c) —III—Secret Service Expenditure—

The Department explained that the requisite certificates had since been furnished to the Accountant-General.

The Accountant-General pointed out that the working papers with regard to this item were not shown to him. However the working paper contained a note that the audit office had no comments to offer. The Committee again impressed upon the Department that it was incumbent upon it to furnish the explanation to the

Audit Office so that the Audit could make its own comments on the explanation, even if the matter, in the opinion of the Department, was very clear. The item was dropped.

(5) *Page 56, Para. 17 (c) —VII—(c)—Serial No. 4—*

*Delay in the Disposal of Inspection Reports and Audit Notes*—The explanation of the Department was that replies to the pending notes had since been furnished.

The Accountant-General again pointed out that in this case also the explanation was not sent to him for audit comments. The Committee made the same observations as in the previous case.

(6) *Page. 7, Para 12, Head 16—Jails and Convict Settlements*—It was a case of over-budgeting. Supplementary grant was obtained but in fact there was a saving.

The Accountant-General pointed out that in this case also the audit comments had been deleted.

At this stage the Committee came to the conclusion that the working paper prepared by the Home Department was defective in so far as the audit comments had not been included and it was of no use proceeding with the explanations of the remaining items. The Committee directed that a fresh working paper be prepared by the Home Department in respect of all the remaining items which should come up before the Committee at the next series of meetings of the Committee.

### AUQAF DEPARTMENT

*Page, 5, Para 8 read with page 148.*

*Grant No. 19—Scientific and Misc. Departments. Sub-head O—Ecclesiastical.*

					Rs.
Final Grant	..	..	..	..	1,42,350
Excess	..	..	..	..	3,885

The explanation of the Department was that the excess was due to the fact that no budget estimate under this head were received from the Commissioner Kalat Division in time with the result that the Home Department (which was the Administrative Department at the time) repeated the figures of the previous year while submitting the budget to the Finance Department, and even after the amount sanctioned in the budget was intimated to the Commissioner he failed to ask for supplementary grant.

The Committee decided to recommend that necessary sanction for the excess expenditure might be accorded but the officials concerned should be warned not to allow such delays in future.

### LAW DEPARTMENT

(1) *Page 47, Para. 17 (c)—Law Department—Items No. (30)—*

*Misappropriation of Government money*—The explanation of the Law Department was that the official involved in the case committed suicide and as such no action was taken against him. The Law Department had moved the Finance Department to write off the amount.

The audit objection was that mis-appropriation was facilitated due to the lack of supervision and non-observance of rules. The Committee desired that before the amount was written off, the Law Department should take all the facts into consideration and try to recover the amount and action taken by the Law Department should be reported to the Committee when the accounts for the year 1960-61 are examined.

(2) *Page, 5, Para. 9 read with page 111—Grant No. 14—General Administration. Sub head B—Legislative Bodies—11—Provincial Assembly Department—Excess Rs. 19,985 and Rs. 1,13,381.*

The Law Department explained that the figures shown in the Account were not correct. In fact there was no excess expenditure under this head and this was intimated to the Accountant-General in December, 1961. The para was dropped.

#### HEALTH DEPARTMENT

(1) *Page 3, Para 5, read with pages 150—152.*

*Grant No. 21—Health Services Final Grant—Rs. 4,83,30,100—Saving—Rs. 58,76,718.*

The saving of Rs. 38,09,127, was due to non-adjustment of bills. This part of the item was dropped subject to verification by the Audit Department.

The saving of Rs. 5,28,101 was attributed to non-purchase of articles for want of sanction, but records of the case were not available with the Department. The Committee deferred consideration of this item and asked the Health Department to make efforts to trace necessary records and place full details before the Committee at the next series of meetings.

The saving of Rs. 2,82,805 was attributed to posts having remained vacant. The Committee observed that most of the posts mentioned by the Department could have been filled.

The Committee dropped the item but desired that in future the Department should give detailed reasons why the posts were not filled.

No explanations were furnished for the savings of Rs. 97,070 and 21,020 attributed to non-payment of grant-in-aid to the local bodies of former Bahawalpur State and less utilization of Scholarships due to failure of students respectively. The Committee directed that detailed explanation for these items should be furnished at the next series of meetings.

The saving of Rs. 13,400 was due to the fact that there were no floods for which provision was made. This item was dropped.

The saving of Rs. 1,000 was due to non-payment of scholarships for want of sanction. The explanation was found satisfactory and the item was dropped.

The saving of Rs. 9,89,400 and 1,34,815 was attributed to stores having not been purchased from U.K. and non-surrender of funds in the expectation that stores would be purchased. Secretary Health stated that the Department could not get any replies from the Pakistan High Commissioner in U.K. in regard to these items. The Committee deferred consideration of these items to the next series of meetings.

(2) *Page 55-56, Para. 17—VII—Delay in Disposal of Inspection Reports and Audit Notes—*The Department's contention was that all outstanding reports up to 1959-60 had been replied to. Subject to verification by Audit, the para. was dropped.

(3) *Page 49, Para. 17—III Secret Service Expenditure—*As the Department has since given the requisite certificates, the para. was dropped.

(4) *Page. 7, Para 12 read with page 150.*

*Grant No. 21—Health Services—*No explanation was furnished for the supplementary grant obtained proving partly unnecessary. Consideration of this item was deferred to the next series of meetings.

(5) *Pages 150—152—*No explanations were furnished for not issuing sanctions which resulted in saving of Rs. 5,28,101 and for credit sales. This item was also deferred to the next series of meetings.

(6) Page 3, Para. 5 read with page 208.

Grant No. 42—Loans and Advances by Provincial Government—Sub-head A—3—Advances to students of Bahawalpur, Saving Rs. 63,940—Secretary, Health stated that details showing the causes of saving had been called for from the concerned offices but the same were awaited due to pre-occupation in connection with the National Emergency.

The Committee at this stage decided that the Health Department should furnish explanations in respect of all the items with full details and with the comments of the Audit at the next series of meetings of the Committee.

## SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

(1) Page 55, Para. 17-VII—Delay in Disposal of Inspection Reports and Audit Notes—(a) Serial No. 1—The contention of the Department was that the necessary replies had been sent to the Assistant Examiner O.A.D. The para. was dropped.

(2) Page, 3, Para. 5 read with page 193.

Grant No. 36—Miscellaneous—Sub-head C—1-(d) Constitution of E.B.D.O., Tribunal—Final Grant Rs. 46,010—Saving Rs. 6,921—The contention of the Department was that actually there was a saving of Rs. 4,171 only although the saving of Rs. 6,921 was earlier confirmed by the Director of Anti-corruption,—vide his Memos, dated 23rd January, 1962 and 13th March, 1962. Director of Anti-corruption explained that earlier confirmation was on the presumption that the figures intimated by Accountant General were correct. Because the records of the case were not available with the Department at that time, figures could not be verified.

As regards the saving, it was stated that a sum of Rs. 3,855 (Pay of Mr. Justice Muhammad Sharif for the month of May, 1960) was accounted for in August, 1960 and the remaining saving was only nominal. The explanation was considered satisfactory and Para. was dropped.

The Committee at this stage pointed out to the Director, Anti-corruption that while examining the explanations of the various Departments the Committee noticed that the records of the Departments remained pending with the Anti-corruption Department for years together with the result that the Departments are not in a position to apprise the Committee with full facts. The Director Anti-corruption suggested that whenever a Department contended that the records were with the Anti-corruption Department for a long period, the Department should be asked to produce a certificate from the Director in support of its contention and show it to Committee. The Committee accepted the suggestion and directed that action should be taken accordingly. Finance Department agreed that they would issue necessary instructions to the Departments.

## PLANNING AND DEVELOPMENT DEPARTMENT

Page 55, Para. 17-VII—Delay in disposal of Inspection Reports and Audit Notes—As the Department has since sent the replies to the Audit Notes etc. the para. was dropped.

## FINANCE DEPARTMENT

Page 5, Para. 5 read with pages 68-69 of the Appropriation Accounts for 1957-58.

Grant No. 1—Salt. Head 5-A—Capital Outlay on Salt. Grant Nil—Expenditure Rs. 69,346—Excess Rs. 69,346—In the previous meeting of the Committee held on 24th May, 1965 the Committee had asked the Finance Department to find out who was responsible for incurring expenditure without obtaining funds.

The explanation of the Department was that in fact the expenditure should have been booked under the head "5—Salt-10—Outlay on Salt Works". Although there was no provision under the Minor Head "10—Outlay on Salt Works", the expenditure could have been covered by Re-appropriation within the grant because there was an overall saving of Rs. 7,50,495.00. Since the expenditure had been booked under a wrong head of account, by the Audit, the Department could not be held responsible for it.

The Committee was satisfied that it was merely a technical omission on the part of the Department not to come up for supplementary grant.

The para. was dropped.

(2) Page 3, Para. 5 read with pages 208—210 of the Accounts for 1959-60.

Grant No. 42—Loans and Advances by the Provincial Government.

Saving Rs. 10,90,58,097—The Finance Department stated that reasons for the savings would be explained by the Administrative Department concerned on their turns.

So far as the saving of Rs. 5,11,988 under sub-head "Loans to Government Servants", was concerned, the explanation given was accepted by the Committee.

(3) Page 3, Para. 5 read with page 207.

Grant No. 41—Provincial Miscellaneous Investments—This item was partly considered by the Committee at its meeting held on 25th November, 1965. Capital investment under the following schemes remained to be examined:—

#### PROVINCIAL ROAD TRANSPORT BOARD

The Committee directed that the Department should approach the Audit Department for reconciliation and after the adjustment was made, the matter should come up before the Committee at its next series of meetings.

#### SMALL-SCALE COITAGE INDUSTRIES CORPORATION

The Corporation was floated during 1955 in which Government investment amounted to Rs. 10,10,000. The Corporation was wound up during 1957 and the Government investment was repatriated and the amount was credited to Government account under head "XXX—II—Industries Development—Miscellaneous Receipts" on 15th and 16th August, 1957. The profit/interest amounting to Rs. 91,469.1.6 and 5,608.10.6 were also credited to Government account on 19th August, 1957 and 15th May, 1958 respectively. The amount of Rs. 5,10,000 invested during 1958-59 represented share capital towards the West Pakistan Small Industries Corporation which was later merged with W.P.I.D.C. This capital has been converted as loan by the Government and the accounts of the defunct Corporation which had since been closed have shown a net loss of Rs. 2,90,489.34. It was certified by the Accountant-General that orders of Government regarding treating Rs. 5,10,000 as loan had since been received and necessary adjustment was being made in the accounts of 1964-65.

#### PANJNAD SUGAR MILLS LTD.

In this case a report had been called for from the Revenue Department which would be considered by the Committee on 18th April, 1966.

#### RURAL CREDIT SOCIETIES

The Committee was informed that Government would get dividend on its shares with effect from 1st July, 1964. The Committee desired that the Finance



Department and Co-operative Department should examine the question as to whether it was possible to obtain dividend from an earlier date.

#### KHAIRPUR AGENCIES LTD.

At its meeting held on 25th November, 1965, the Committee was informed that Government investment was Rs. 10,000 and not Rs. 12,000 as appeared in the Accounts. The Accountant-General was asked to verify this statement of the Industries Department. The Accountant-General furnished details of the expenditure of Rs. 12,000 which was earlier confirmed by the Director of Industries.

The Committee directed that necessary action to make the adjustment should be taken by the Industries Department.

(4) Page, 5, Para. 9.

*Head—11 Irrigation Works,—Excess Rs. 29,37,439* The Finance Department explained that the interest charges are based on the progressive capital outlay up to the end of the previous year plus half the capital outlay for the year for which interest charges are to be calculated. In the present case the excess was due to more progressive capital outlay (as a result of various adjustments) taken into account for calculation of actual interest charges. The para. was dropped.

III. The Committee then adjourned to meet again at 9.00 A. M. on Monday the 18th April, 1966.

LAHORE:  
The 18th April, 1966.

ZAIN NOORANI  
CHAIRMAN,  
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 18TH APRIL, 1966 AT 9-00 A.M. IN  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**I. The following were present:—**

- |   |    |  |
|---|----|--|
| (1) Mr. Zain Noorani, M.P.A.  | .. | Chairman.  |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. | Member.  |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. | Member.  |
| (4) Rai Mansab Ali Khan Kharal, M.P.A.  | .. | Member.  |
| (5) Syed Yusuf Ali Shah, M.P.A.   | .. | Member.  |
| (6) Mr. Muhammad Mohsin, C.S.P. and<br>Mr. Asif Rahim, C.S.P., Additional Finance Secre-<br>taries, Government of West Pakistan alongwith<br>Mr. G.D. Memon, Joint Secretary.   | .. | Expert Advisers.<br>By invitation.   |
| (7) Mr. Riaz-ul-Hasan, P.A. & A.S. Accountant-Gen-<br>eral, West Pakistan   |    |  |
| (8) Mr. S. Manzoor Illahi, C.S.P., Secretary<br>to Government of West Pakistan, Education<br>Department.  | }  | By invitation (at<br>the time of con-<br>sideration of<br>items relating to<br>their respective<br>Departments., |
| (9) Syed Munir Hassain, C.S.P., Secretary to Govern-<br>ment of West Pakistan, Industries, Commerce and<br>Mineral Resources Department, alongwith Director<br>of Industries, Controller of Printing and Stationery<br>and Member (Finance) Small Industries Corporation. |    |  |
| (10) Mr. A.R. Usman, C.S.P.,<br>Secretary (Settlement), Board of Revenue.   |    |  |
| (11) Mr. S.M.A. Kazmi, T.Q.A., C.S.P., Secretary to<br>Government of West Pakistan, Food Department.  |    |  |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakis-  
tan acted as Secretary of the Committee.

**II. The Committee considered explanations of the following Departments in respect  
of items appearing in the Appropriation Accounts for the year 1959-60:—**

**CO-OPERATION DEPARTMENT**

As no representative of the Co-operative Department was present, the con-  
sideration of the item concerning this Department was deferred to 3.30 p.m. on  
19th April, 1966.

**EDUCATION DEPARTMENT**

(1) *Page 48, paragraph 17—II—Audit of Grants-in-aid*—In the meeting held  
on 24th November, 1965, the Education Department was asked to supply a list of in-  
stitutions which had not utilized the grant according to the conditions laid down or  
had failed to utilize the grants allocated to them.

Secretary, Education Department stated that the amounts of grant unspent  
region-wise were as follows:—

	Rs.
Peshawar	.. 3,70,000
Sargodha	.. 2,600
Multan	.. 1,12,000
Lahore	.. Nil

He further intimated that figures from Quetta and Karachi regions had not  
been received.

The Committee considered the reasons given by the Department for non-availability of the figures, one of which was that figures could not be had from the Local Fund Examiners who were under the administrative control of the Finance Department. In view of the fact that the Education Secretary admitted that the re-organization of the jurisdiction of the Local Fund Examiners was completed in 1962 and so also the re-organization of the Education Department was completed in 1962, the Committee was of the opinion that the reasons for the delay were not justified. The Committee directed that efforts should be made both by the Finance Department as well as the Education Department to make these figures available in the next series of meetings of the Committee.

(2) *Page 54, Para. 17—VII—Delay in disposal of Inspection Reports and Audit Notes*—The Committee was informed that the only one outstanding audit note has since been replied to but no action against any officer could be taken so far.

The Committee noted with regret that in spite of the Department having been asked twice by the Committee to give details of the action taken against the officers concerned, no action had been taken so far. The lukewarm attitude of the Department led the Committee to the conclusion that there was no proper administrative control with the result that the information required could not be collected by the Department.

The item was deferred to the next series of meetings of the Committee and it was once again impressed upon the Education Department that in the opinion of the Committee proper action should and must be taken against the officers concerned at the earliest.

During the course of discussion, the Education Department pointed out that the Comptroller, Southern Area, had stated that Papers relating to 256 cases were not available, and therefore, he could not furnish the list of institutions which had not furnished the replies to the Audit Inspection Reports in time. The Committee noted with regret that the Comptroller, Southern Area should not have been able to furnish this information. The Committee asked the Accountant-General to take up the matter with the Comptroller, Southern Area, and ask him to supply the list of institutions to the Department without any further loss of time.

(3) *Page 3, Para. 5 serial No. 23 read with page 208—*

*Grant No. 42—Loans and Advances by the Provincial Government—Sub-head "A-3—Advances to students of the former Bahawalpur State"—Saving Rs. 1,300*—The Committee at its meeting held on 24th November, 1965 recommended that action should be taken against the officer responsible for the saving of the amount. The Education Department now intimated that official report regarding fixing the responsibility was still awaited from the Director of Education, Lahore Region and as soon as the report was received from him necessary action would be taken against the officer at fault.

The Committee not being satisfied that suitable candidates had not been available asked the Department to furnish, at the next series of meetings of the Committee, full details of the steps that had been taken by the Department to find out suitable candidates.

(4) *Pages 4-5, Para. 8—read with pages 226-227 of the Appropriation Accounts for the year 1958-59.*

*Grant No. 46—Advances not bearing interest—Advances repayable—Sub-Head: "Advances to Board of Management—Muslim Education Cess Fund"—Excess of Rs. 1,57,333*—The Secretary, Education Department stated that the Finance Department, vide their letter No. (L)-1/22-58(Vol. III), dated 3rd January, 1966 had advised the Education Department as under:—

"The amount of Rs. 1,57,333 (shown as excess expenditure in the Appropriation Accounts 1958-59, page 226) represents the interest realized on 2½ per cent Pakistan

Loan 1955-56 and 3½ percent Pakistan Loan 1967 during 1958-59. According to the instructions contained in the Finance Department of the former Sind Government letter page 856/L.F. No. 1487/V.P., dated 6th January, 1951, the interest receipts arising from the investment were to be placed at the disposal of the Board of Management of Muslim Education by debit to the head "Advances not bearing interest—Advances Repayable, Special Advances" and credit to the Personal Ledger Account of the Board. The debit under the head "Advances not bearing interest" had to be cleared by the Accounts Officer of the former Sind Province (now Comptroller, Southern Area, West Pakistan). The debit of Rs. 1,57,333 appearing in the Appropriation Accounts 1958 did not represent the actual expenditure under "Loans and Advances" but the amount was temporarily placed under that head for subsequent transfer to Major head "37—Education" and "38—Medical" and necessary adjustment would be carried out by the Audit Office on receipt of *Pro forma* Account from Education Department."

and in accordance with this advice of the Finance Department, the Deputy Director of Education, Hyderabad has submitted the necessary *pro forma* to the Comptroller, Southern Area, Karachi.

The item was dropped.

## INDUSTRIES, COMMERCE AND MINERAL RESOURCES DEPARTMENT

### (1) Page 3, Para. 5—

Item No. 14 read with page 158—Grant No. 27—Industries—A—Industries other than A-3(c)—Saving Rs. 17,98,369.—The Department could not give a satisfactory explanation for the surrender and saving under this grant. The para. was deferred to the next series of the meetings of the Committee when the Department would come up with the necessary explanation.

### (2) Page 5, Para. 8—

Item No. 8—Capital Outlay on Industrial Development—

Grant	Nil
Expenditure	Rs. 592.
Excess	Rs. 592.

According to the Department a debit of Rs. 287 relating to previous year was adjusted under this head without acceptance of the Director of Industries and a sum of Rs. 305 was incorrectly booked under this head. As such the item was dropped.

### (3) Page 48, Para. 17(c)—Industries Department—

(i) Item No. (27)—Outstanding Government Dues—Rs. 5,910—The Department stated that an amount of Rs. 2,300 had been recovered leaving a balance of Rs. 3,610. The Committee asked the Department to make efforts to recover the balance as soon as possible. With this observation and subject to verification of the recovery by the Audit, the item was dropped.

(ii) Item No. (28)—Shortage of Stores worth Rs. 4,396—The Committee accepted the explanation given by the Department that the recoveries could not be effected since the official concerned had migrated to India. The Committee, however, observed that the Department ought to have been vigilant and reported the matter in time to the Partition Council. The Committee felt that it was a very sorry state of affairs that the shortcomings and mistakes of a person who migrated to India in 1947 could not be detected up to 1959. The Committee asked the Department to explain as to who was responsible for not taking proper action in time to report the matter to the Partition Council.

(4) Page 55, Para. 17—VII—Delay in disposal of Inspection Reports and Audit Notes—The Department stated that the audit notes have since been replied to. As

regards the taking of action against the officer who was responsible for non compliance with the audit report in time, the Administrative Secretary apologised for not having met this part of the recommendation of the Committee and gave an undertaking that in the next series of meetings, he would be able to give detailed report in the matter. The item was accordingly deferred to the next series of meetings.

(5) *Page 48, Para. 17(c)—Stationery and Printing—Item No. (32)—Embezzlement of Cash—Rs. 548.*—The Department stated that the senior clerk responsible for the embezzlement had been reverted as junior clerk after a departmental inquiry. The Committee was satisfied with the action taken by the Department and dropped the item.

(6) *Page 217—annexure—serial No. 24—Shortage and Excessive issue of the Store Rs. 3,263.*—As the Department could not furnish any explanation in respect of this item, it was deferred to be taken up at the next series of meetings of the Committee.

(7) *Page 3, Para. 5 read with pages 72-73—*

*Grant I—Salt.—*

	Rs.
Original Grant	— 32,10,700
Surrender	.. 12,41,280
Final Grant	.. 19,69,420
Expenditure	.. 16,93,095
Saving	.. 3,06,325

A sum of Rs. 12,41,280 was surrendered because the organization was being transferred to the Central Government and out of the modified grant of Rs. 19,69,420 a sum of Rs. 16,93,095 was spent resulting in the saving of Rs. 3,06,325. The Committee was satisfied with the reasons furnished by the Department for the saving except with regard to the saving of Rs. 53,152 which was due to non-payment of wages of miners for February, 1960 payable in March, 1960 before the close of the year. The Committee asked the Department to furnish details of the wages which should have been paid in February, 1960. The Committee also wanted to know whether similar savings in the past years had occurred and if so, for how long the wages were not paid. In the present case too, the Committee wanted to know for how long the wages were not paid.

(8) *Page 5, Para. 9 read with pages 72-73—Grant No. I—Salt.—*

	Rs.
Excess	.. 1,41,863

The excess was due to the fact that the provision of interest charges on Capital was made erroneously in the Voted Section. The expenditure was, however, booked properly in the charged section. The explanation was satisfactory and the para. was dropped.

(9) *Page 3, Para. 5, read with page 74—Grant No. 2—Capital outlay on salt—*

	Rs.
Surrender	.. 1,32,900
Saving	.. 16,684

As the control of salt organization was transferred to the Central Government, the major portion of the grant namely, Rs. 1,32,900 was surrendered and only an amount of Rs. 16,684 was saved out of the remaining amount. The explanation given by the Department for the saving was considered satisfactory. The para. was dropped.

(10) *Page 3, Para. 5 read with page 192—*

*Grant No. 36—Miscellaneous—Head 57—Misc.(A)—Cost of Books and Periodicals—Saving Rs. 25,680.*—As detailed information in respect of this saving could not

be furnished by the Department, consideration of this item was deferred to the next series of the meetings. The Committee, however, drew the attention of the Department to the recommendations made by the previous Public Accounts Committee in respect of a similar item appearing in the Appropriation Accounts for 1958-59.

(11) *Page 3, Para. 5—Serial No. 14 read with page 141 of the Appropriation Accounts for the year 1958-59.*

*Grant No. 27—Industries—A—Industries other than—3 (e)—Savings Rs. 5,07,973—*The explanation of the Department for the saving under this grant was accepted by the Committee except with regard to the following savings:—

- (1) Saving of Rs. 23,837 due to the non-availability of cocoons.
- (2) Saving of Rs. 54,288 due to machinery indented for having not been received and certain posts having remained vacant for want of suitable men.
- (3) Saving of Rs. 11,280 due to non-receipt of machinery indented for.
- (4) Saving of Rs. 7,925 due to certain posts having remained vacant for want of suitable technical men.

The Committee directed that detailed explanations for these savings should be furnished to the Committee at its next series of meetings.

Although the Committee accepted the explanation of the Department for the saving of Rs. 1,04,275 in the Southern Area circle of account, the Committee observed that before launching on such ambitious programmes, efforts should be made to ascertain whether the organizations expected to utilize the money and to execute such ambitious programmes were properly organised and equipped to carry out the programmes. In the case under examination it was evident that the saving was made because provision was made without ascertaining as to whether the programme contemplated could be executed or not.

#### REVENUE DEPARTMENT

(1) *Page 40, Para. 5(i)—Un-necessary retention of Government money in hand—*In spite of the fact that this item was deferred at the previous meeting held on 25th November, 1965 for furnishing detailed information, the Revenue Department could not furnish it. The Department was again asked to furnish the necessary details at the next series of meetings and in particular state:—

- (1) Where was the money kept for four years?
- (2) Whether the permanent advance was authorised and if authorised, by whom?
- (3) Details of the expenditure of Rs. 29,900.
- (4) Details of the works and nature of the works.

(2) *Page 118, Para. 7—Embezzlement of Government money—*In the previous meeting of the Committee held on 25th November, 1965, the Department was asked to furnish detailed information regarding this item. The Department had once again failed to furnish the same. No explanation was furnished as to why departmental inquiry was not conducted for the loss of the fine register. Reasons for writing off the amount were also not furnished. The item was, therefore, deferred and the Department was asked to furnish full explanation along with the necessary documents at the next series of meetings of the Committee.

(3) *Pages 54—56, Para. VII-1(a) and (d)—*

*Delay in disposal of Inspection Reports and Audit Notes—*According to Revenue Department all the pending inspection reports have since been returned to the Audit office concerned. The para. was dropped subject to the verification by the Audit.

(4) Page 3, Para. 5—Serial No. 17—read with pages 192—202—

Grant No. 36—Miscellaneous—E—Irrecoverable Temporary loans and Advances written off—J-7-C—Demarcation of Indo-Pakistan Boundry G—Miscellaneous Compensation—saving Rs. 2,39,453—This item was considered by the Committee at its meeting held on 25th November, 1965. In that meeting the Revenue Department stated that according to their records the saving under each sub-head was as follow:—

- (a) E—Irrecoverable Temporary Loans and Advances written off..Rs. 47,128.
- (b) J-7—C—Demarcation of Indo-Pakistan Boundry..Rs. 62,913.
- (c) G—Miscellaneous Compensation..Rs. 2,000.

The Committee then directed that the Department should reconcile the figures with the Audit. The Accountant-General stated that as the records in his office had been destroyed by fire he had no alternative but to rely on the records of the Department and according to Department's records the savings noted above were correct.

As regards the saving of Rs.47,128, the contention of the Department was that as expenditure under this detailed sub-head was of a fluctuating nature, it could not be estimated correctly. The saving was due to the fact that the remission cases to taccavi loans finalized by the Commissioners, Rawalpindi and Multan Divisions less than those originally anticipated by them.

The Saving of Rs. 62,913 was mainly due to the fact that specifications and sizes of pillars were subject to the approval of both Governments of Pakistan and India. Specifications were approved by the Government of India in the end of January, 1960 with the result that the funds could not be utilized in full.

Saving of Rs. 2,000 had been explained in the last meeting.

The explanation for the savings was considered satisfactory and the para. was dropped.

(5) Page 3, Para. 5—Serial No. 23 read with page 208. Grant No.42—Loans and Advances by the Provincial Government. "B-2—Advances to Cultivators"—Saving Rs. 48,36,273—This item was also considered by the Committee at its meeting held on 25th November, 1965, when the Department represented that according to their records saving amounted to Rs. 48,45,017.

The Accountant-General stated that he had accepted the figures of the Department as the records in his office had been destroyed by fire.

The Department had satisfactorily explained the saving of Rs. 8,13,916 and Rs. 13,29,530 in the last meeting. Saving of Rs. 27,01,571 remained to be explained. According to the Department, the correct figure of saving was Rs. 27,97,874. The Department explained that out of a saving of Rs. 26,97,874, about 14 lakhs were for flood relief and the remaining amount was for land reform taccavi for which no demand from the cultivators was received up to the close of the year. The Committee observed that a major portion of this amount should have been surrendered in time and utilized elsewhere. Subject to this observation, the para. was dropped.

(6) Page 4, Para. 8—read with page 80—Grant No. 6—Stamps—Excess Rs. 1,05,511—After reconciliation of figures, the actual excess stood at Rs. 25,713, out of this, excess of Rs. 10,853 was explained in the previous meeting held on 25th November, 1965. The Department was asked to furnish details of the remaining excess of Rs. 14,860. The Department furnished the details and the Committee was satisfied with the explanation. The Committee recommended that the excess expenditure might be regularised.

(7) Page 5, Para. 8 read with page 145—Grant No. 19—Scientific and Miscellaneous Departments—L—Examination—Excess Rs. 2,920.—This item was considered by the Committee at its meeting held on 25th November, 1965 in which the explanations for excess of Rs. 2,272 was accepted by the Committee. As regard the remaining excess of Rs. 648, the Department had requested for more time to furnish the explanations.

The Department now stated that the excess of Rs. 648 related to some other Sub-head and was wrongly booked under the Sub-head "Fees to Examiners for Naib-Tehsildars, Kanungoes and Patwaries' Examination". As the record of the Accountant General's office had been destroyed by fire, he was not in a position to verify this statement of the Department.

The Committee decided to recommend that necessary grants to regularise this excess may be made.

(8) *Consideration of remaining items was deferred to 3-30 p.m. on 19th April, 1966*

#### FOOD DEPARTMENT

(1) *Page 41, item 7—Shortage of Sugar worth Rs. 861*—According to the Department, the actual shortage was 9-6-0 maunds and that the effected bags were issued to the dealers on standard weight as per instructions of Government. Subject to verification by the Audit on the occasion of their next visit to Kalat Region, the item was dropped.

(2) The Committee examined the explanations of the Food Department in respect of following outstanding items relating to accounts for the year 1957-58 which were partly considered at the meeting held on 24th November, 1965 and further details were asked for:—

(i) *Page 39, para. 17 (c) (22) (i)—Excess payment of Rs. 3,64,814*—As the Department had not reconciled the figures with the Audit, the item was deferred to be taken up along with the accounts for the year 1960-61.

(ii) *Page 40, para. 17(c)(26)(i)—Outstanding recoveries—Rs. 13,80,028*—As the suits pending in the Courts had not been finalised, this item was also deferred to be taken up along with the accounts for the year 1960-61.

(iii) *Page 40, para. 17(c)(26)(iv)—Outstanding recoveries Rs. 29,000*—This item was also deferred for the reason given in (ii) above.

(iv) *Page 41, para. 17(c)(27)—Shortage of Stores worth Rs. 27,479*—The Department stated that in fact that there was no loss of Government and the shortage, if any was in the stock which was the property of the firm with which the Government was not concerned. Subject to verification by the Audit, the item was dropped.

III. The Committee then adjourned to meet again at 9-00 a.m. on 19th April, 1966.

LAHORE:

*The 18th April, 1966.*

ZAIN NURANI

CHAIRMAN,

*Standing Committee on Public Accounts.*



**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 19<sup>TH</sup> APRIL, 1966 AT 9-00 A.M. IN COM-  
MITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**I. The following were present:—**

- |   |                    |
|---|--------------------|
| (1) Mr. Zain Noorani, M.P.A.,   | .. Chairman.       |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. Member.         |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. Member.         |
| (4) Rai Mansab Ali Khan Kharal, M.P.A.  | .. Member.         |
| (5) Syed Yusuf Ali Shah, M.P.A.   | .. Member.         |
| (6) Mr. Muhammad Moshin, C.S.P., and Mr. Asif<br>Rahim, C.S.P., Additional Finance Secretaries,<br>Government of West Pakistan. | .. Expert Adviser. |
| (7) Mr. Riaz-ul-Hasan, P.A. & A.S.<br>Accountant-General, West Pakistan.  | .. By invitation.  |
| (8) Mr. Masud-ur-Rauf, C.S.P.,<br>Joint Secretary to Government of West Pakistan,<br>Information Department.                    | .. Ditto.          |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan, acted as Secretary of the Committee.

**II. The Committee considered the explanations of the Information Department in respect of following items appearing in the Appropriation Accounts for the year 1959-60:—**

- (1) *Page 3, para. 5 read with page 197.—Grant No. 26-Misc.*  
*Sub-head J-17—Director Bureau of National Reconstruction.*

	Rs.
<i>Saving</i>	.. 65,952

- (2) *Page 5, para 8 read with page 146—*

*Grants No. 19—Scientific and Miscellaneous Department—Sub-head—P-2-  
Bureau of National Reconstruction.*

	Rs.
<i>Excess</i>	.. 20,728

Consideration of the explanation of the Department in respect of the above saving and excess was deferred for furnishing detailed information at the next series of meetings, when the accounts for the year 1960-61 are considered by the Committee.

- (3) *Page 5, para. 8 read with page 146. Grant No. 19—Scientific and  
Miscellaneous Departments. Sub-head "P-1—Public Relation".*

	Rs.
<i>Excess</i>	.. 1,78,943

According to Information Department, the excess was due to the fact that the debit on account of the price of six land rovers, two bedford vans and one chevrolet car, imported from abroad during 1957-58 was raised by the Central Government during 1959-60. The Committee wanted to know the date of delivery of the vehicles as well as the date of raising the debit. As this information was not available, the item was deferred to be taken up when the accounts for 1960-61 are considered.

- (4) *Page 49, para. 17-III—Secret Service Expenditure—*As the requisite certificate had since been sent by the Department, the item was dropped.

(5) *Pages 54-59—Para. 17-VII—Delay in Disposal of Inspection Reports and Audit Notes*—As the Audit Reports had since been replied to by the Department, the item was dropped.

III. The Committee then adjourned to meet again at 10-30 a.m. to consider explanations of the Communications and Works Department.

LAHORE :  
The 19th April, 1966.

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ZAIN NOORANI  
CHAIRMAN,  
*Standing Committee on Public Accounts.*

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 19TH APRIL, 1966 AT 3-30 P.M., IN COM-  
MITTEE ROOM 'C' OF THE ASSEMBLY BUILDINGS, LAHORE.**

**I. The following were present:—**

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|---|----|-----------------|
| (1) Mr. Zain Noorani, M.P.A.  | .. | Chairman.       |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. | Member.         |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. | Member.         |
| (4) Rai Mansab Ali Khan-Kharal, M.P.A.  | .. | Member.         |
| (5) Syed Yusuf Ali Shah, M.P.A.   | .. | Member.         |
| (6) Mr. Muhammad Mohsin, C.S.P., Additional<br>Finance Secretary, Government of West<br>Pakistan.   | .. | Expert Adviser. |
| (7) Mr. Riaz-ul-Hasan, P.A. & A.S., Accountant<br>General West Pakistan   | .. | By invitation.  |
| (8) Raja Ahmad Khan, Q.A. P.C.S., Chairman,<br>West Pakistan Co-operative Board and Joint Secre-<br>tary to Government of West Pakistan Co-operation<br>Department. | .. | By invitation.  |
| (9) Mr. A. R. Usman, C.S.P., Secretary (Settlement)<br>Board of Revenue, West Pakistan.   | .. | By Invitation.  |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary of the Committee.

**II. The Committee considered the explanations of the following Departments in respect of following items appearing in the Appropriation Accounts for the year 1959-60:—**

**CO-OPERATION DEPARTMENT**

*Pages 48-49, para 17—II—Audit of Grants in aid—*In this case the objection was that the certificate to the effect that the grants-in-aid paid to certain institutions under the control of Registrar, Co-operative Societies, were spent on the object for which they were meant and in accordance with the prescribed conditions was not furnished by the Department. The requisite certificate has now been given by the Financial Adviser, West Pakistan Co-operative Board, Lahore.

The Joint Secretary, Co-operation Department, who appeared before the Committee explained that the grant was given to the Co-operative Union. After that the whole set-up was reorganized; the office of the Commissioner was abolished; Punjab Co-operative Union was discontinued. The Department only got certificates from various agencies to the effect that the amount was spent. When asked by the Committee to furnish break-up of Rs. 77,000 which was meant for propaganda work, they gave the following:—

	Rs.
Punjab Co-operative Union ..	50,000
Commissioner, Co-operative Societies ..	25,000
Deputy Registrar, Co-operative Societies, Hyderabad ..	2,000
<b>Total ..</b>	<b>77,000</b>

The Accountant-General wanted to know whether the Department had any Machinery to determine as to whether the local bodies, who were given grant-in-aid, spent the money for the purpose for which they were given. He further said that the certificate should come from the Chief Auditor Local Funds Accounts and not from the Financial Adviser.

The Joint Secretary pointed out that the accounts of all the Local Bodies under this Department were audited by the Chief Auditor and the accounts of the Union, which was a sort of a public body were audited by a Chartered Accountant. The Department had a Financial Adviser in the Board and these certificates were submitted to him by the various agencies, which utilized the amounts. He then verified and gave a separate certificate.

The Committee felt that it was for the Department itself to consider whether in future it would be better for the Department if the Financial Adviser himself verifies that the amounts have been spent for the purpose for which they were given. For the present, the certificate having been accepted by the Audit. The item was dropped.

#### REVENUE DEPARTMENT

(1) *Page 7, para 12 read with page 76—Supplementary Grant proving partly unnecessary.—Grant No. 4—Land Revenue.*—The para was considered by the Committee at the previous meeting held on 25th November, 1965, when further information was asked for in respect of the following savings:—

(a) *Special Revenue Establishment—Rs. 5,24,190—Secretary (Settlement), Board of Revenue* said that the amount lapsed because trained tapedars were not available. Unfortunately the Revenue Officer concerned who could throw more light on the matter had since died. The practice followed was that the Board of Revenue recruited tapedar candidates and trained them for two years. After two years training they were declared as trained tapedars. Unless they were trained they were not of much use specially in the colonisation operations.

The explanation given was not considered satisfactory by the Committee and the Committee directed that in the next series of meetings the Department should satisfy the Committee that efforts were made to recruit the necessary staff and that it was not forthcoming.

The Committee observed that the item had been coming up before the Committee again and again. The Department was asked more than once to give the necessary explanation and it was not able to do so.

(b) *District Charges—Rs. 1,08,760*—The Department explained that the Audit Office had wrongly booked expenditure relating to the sub-head "E-2—District Charges" under the sub-head "C—Survey Settlement". The Committee felt that even if that were taken to be correct, the saving of Rs. 1,08,760 must have occurred under some other sub-head.

The Committee felt that the Board of Revenue had already been given two opportunities to explain the saving of Rs. 16,39,750. While they were able to explain other savings, the saving of Rs. 5,24,190 on account of "Special Revenue Establishment", and Rs. 1,08,760 on account of "District Charges" could not be explained. The Board of Revenue seemed to have no satisfactory explanation to offer. The latest explanation furnished by the Board of Revenue that the saving of Rs. 1,08,760 under the sub-head "District Charges", was a case of mis-classification on the part of the Audit Office still left the matter where it was as this saving has got to be explained even if it did not occur under the sub-head "District Charges" and occurred under some other sub-head. The Committee felt that it was no use giving any further opportunity to the Board of Revenue as it would mean holding up the report indefinitely.

(c) *J—Works. Rs. 47,500*—The Executive Engineer had explained that the Deputy Commissioner had requested him in January, 1960 to undertake repairs to Patwarkhanas in Dera Ismail Khan District. A sum of Rs. 47,500 was also sanctioned for this purpose. As before the work was executed, the detailed estimates were to be prepared and sanction of the competent authority was to be obtained, the Executive Engineer advised the Deputy Commissioner to get the work executed through local contractors. For this reason the work was not executed by the Executive Engineer. The explanation of the Executive Engineer was considered to be satisfactory and this part of the item was dropped.

(2) *Page 207—Grant No. 41—Provincial Miscellaneous Investments, Panjnad Sugar Mills Ltd., Rs. 17,50,000*—In this case, Government investment was in the form of five thousand acres of land given by Government to sponsors. This land has since been resumed by Government. It was stated during the previous meeting of the Committee on 25th November, 1965 that the account for previous use of the land were being examined by the Revenue Department. The Committee asked the Revenue Department to furnish necessary details.

It was now stated on behalf of the Revenue Department that the matter was under consideration of the Board of Revenue but as a civil suit was filed by the party concerned, no further progress could be made. The case was pending before the Senior Civil Judge, Rahim Yar Khan. The Committee was satisfied that proper steps were being taken to safeguard the Government investment in question and decided that so long as the matter was subjudice, no further action could be taken.

(3) *Pages 39-40, para 3 and 4—Withdrawal from Treasury in anticipation of actual requirements*.—The contention of the Department was that the money was drawn in good faith and that the deposit of the balance was delayed only for the reason that the amount was being spent from time to time. The Committee was of the opinion that the Deputy Commissioners concerned should not have drawn the amount and having once drawn the amount it should have been distributed amongst the flood victims at the earliest and if they were entitled to employ staff then payment should have been made within the financial year and carried over to the next year. Subject to these observations the item was dropped.

III. The Committee then adjourned to meet again at 5-00 p.m. for consideration of the explanations of the Communications and Works Department.

LAHORE :

The 19th April, 1966

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 19TH APRIL, 1966 AT 10-30 A.M. AND 5-00 P.M. AND ON 20TH APRIL, 1966 AT 9-00 A.M. AND 3-30 P.M. IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.

I. The following were present—

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|--|---------------------|
| (1) Mr. Zain Noorani, M.P.A.   | .. Chairman.        |
| (2) Chaudhri Muhammad Nawaz, M.P.A.  | .. Member.          |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.  | .. Member.          |
| (4) Rai Mansab Ali Khan Kharal, M.P.A.   | .. Member.          |
| (5) Syed Yusuf Ali Shah, M.P.A.  | .. Member.          |
| (6) Qazi Muhammad Azam Abbasi, M.P.A.<br>(attended on 20th April 1966 only).   | Member.             |
| (7) Mr. Muhammad Mohsin, C.S.P., and<br>Mr. Asif Rahim, C.S.P., Additional Finance Secretaries,<br>Government of West Pakistan.  | .. Expert Advisers. |
| (8) Mr. N.A. Chaudhri, P.A. & A.S.,<br>Director, Audit and Accounts (Works), West Pakistan.  | By invitation.      |
| (9) Mr. Riaz-ul-Hasan, P.A. & A.S.,<br>Accountant-General, West Pakistan (Attended the<br>first sitting on 19th April 1966).   | .. Ditto.           |
| (10) Mr. Abdul Majid Mufti, C.S.P.,<br>Secretary to Government of West Pakistan, Communications<br>and Works Department alongwith Chief<br>Engineers of various Regions. | Ditto.              |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary of the Committee.

II. The Committee in the first instance considered the explanation of the Communications and Works Department in respect of the following two items pertaining to the Accounts for the year 1957-58 which were partly considered by the previous Standing Committee and further details were called for.

(1) *Pages 57-58 para 18(iii)—Arrears in accounts, documents and returns*—In the meeting of the previous Standing Committee held on 16th February, 1965, the Communications and Works Department had informed the Committee that action was being contemplated against 18 officers who were reported to have defaulted in sending the returns. The Committee was now informed that 6 officers had since been charge-sheeted and similar action was proposed to be taken against 12 more officers. The Committee was satisfied that the Department was pursuing the matter earnestly and hoped that the cases would be finalized soon. Subject to this observation and verification of the action taken by the Audit Department, the para was dropped.

(2) *Page 26, paras 17(a) 17(3)—Non-recovery of Government dues amounting to Rs. 91,729*—In the meeting of the previous Standing Committee held on 11th August 1964 the Committee was informed that Government had instituted suits for the recovery of the dues. The Committee was now informed that the total amount as worked out by the Executive Engineer, Building Division, Karachi, amounted to Rs. 64,337 (from Mr. M.A. Khuhro—Rs. 56,000 and from Pir Ali Mohammad Rashidi Rs. 8,337) and that the case against Mr. Khuhro was pending in the High Court. The Audit had not verified the latest figures given by the Department and no information was forthcoming in respect of Rs. 8,337. The consideration of the item had again to be deferred to the next series of meetings of the Committee.

III. The Committee then considered explanations of the Communications and Works Department in respect of the following irregularities pointed out in the Appropriation Accounts for the year 1958-59 which were also partly considered by the previous Standing Committee when more details were asked for—

(1) *Pages 12-13—Para 17 (a) (3)—Shortage of Stores—*

(i) *Serial No. 1—Shortage of Stores worth Rs. 36,508—*In this case the Department proposed to hold joint inquiry by an officer of the Communications and Works Department along with an officer of the Audit Department. The item was deferred pending the result of the joint inquiry.

(ii) *Serial No. 5—Shortage of Stores worth Rs. 70, 258—*As full facts of the case were not placed before the Committee this item was also deferred for the next series of meetings of the Committee.

(iii) *Serial No. 6—Shortage of Stores worth Rs. 63,508—*The Communications and Works Department intimated to the Committee that the actual shortage was to the extent of stores worth Rs. 1,756.50 in respect of which no official could be held responsible as the shortage was due to non-accounting of certain materials which were issued during 28 months and it was not possible to trace out the issues to adjust them. The Department further intimated that action for writing off the loss was being taken. The Committee decided that the contention of the Department as regards actual shortage should be got verified by the Audit and the result reported to the Committee at the next series of meetings of the Committee. The Committee further directed that efforts should be made to fix responsibility for the loss as per direction of the previous Standing Committee.

(iv) *Serial No. 12—Mis-appropriation of Stores worth Rs. 9,56,125—*According to Communications and Works Department Mr. Altaf Hussain Cheema and Mr. Nayyar Islam, Overseers were directly responsible for the shortage. Mr. Cheema proceeded on a 8 days leave from 21st January, 1954 to 28th January, 1954 on grounds of ill health. He remained absent upto 19th February, 1954 and reported his arrival in the Sub-Division on 20th February, 1954 with fitness certificate and promised in writing to hand over the charge of stores. Despite his written promise and Superintending Engineer's specific verbal orders the Overseer did not care to hand over the charge of stores and connected records. A target date for handing over the charge of stores and the relevant record viz., stock register, Measurement Books, Indent Books etc., was fixed as 31st May, 1954 but all in vain. The Overseer was suspended on 12th July 1954 for (1) disregard of orders, (2) wilful absence from duty (3) mis-appropriation of Government Stores. The charge-sheets for first two offences were served by the Superintending Engineer on the Overseer but for offence shown at No. 3 the charge-sheet was not prepared as the extent of actual shortage of stores could not be determined for want of the record which the Overseer did not hand over. Thereafter the Overseer absconded with the records. According to the Department this proved a serious stumbling block in the way of the progress of the case, nevertheless the Department explored every possible means to finalize it by approaching the police twice and then the Martial Law Authorities and finally the Anti-Corruption Department with whom the case was now under investigation. Mr. Nayyar Islam Overseer who succeeded Mr. Cheema took over charge of stores in the absence of Mr. Cheema and he (Nayyar Islam) did not prepare an inventory of godown balances immediately on assuming charge of stores on 15th February, 1954 but started issuing stores. Even Mr. Nayyar Islam Overseer who was subsequently held responsible for shortage of stores worth Rs. 33,709 (another case) absconded within three months of his posting and crossed over the border to India when penalty of recovery was imposed upon him.

The Committee found that it was one of the worst cases the Committee had come across. The Committee was of the opinion that there was absolutely no excuse for not having taken adequate steps to see that there was a physical check of the stock in view of the fact that Mr. Altaf Hussain Cheema, Overseer, was refusing to

account for the stocks in his charge and to hand over the Stock Register. Subsequently on Mr. Nayyar absconding the Department should have realized that things were not satisfactory, and particular care should have been taken to safeguard the interest of the Government. Since then eleven years have passed and as yet the inquiry does not seem to be making much progress. The Committee felt that this was a fit case for a joint enquiry to be conducted by the Department and the Audit together.

This item was therefore, deferred to the next series of the meetings of the Committee. The Committee hoped that the joint enquiry would produce some results.

(2) Page 14, para 17 (a) (4)—*Serial No. 3—Undue financial aid to the Contractor*—This case was considered by the previous Standing Committee at its meeting held on 17th February, 1965 when the Committee desired that the Chief Engineer should consider the question whether the amount of the penalty should be realized either from the contractor or from the officer concerned, or it should be written off. The Communications and Works Department informed the Committee that the matter was referred to the Law Department who had advised that the Superintending Engineer was competent to revise his orders and as such there was no question of recovery of penalty or any other action.

(3) Pages 232-36—*Annexure Unfinalized cases, Loss due to breakage of glass pines worth Rs. 6,753 in transit*—(i) *Serial No. 1(i)*—The Communications and Works Department intimated that the entire loss had since been recovered and verified by Audit. The item was dropped.

(ii) *Serial No. 2—Loss due to excess supply of slack coal*—The contention of the Department was that the shortage was to the extent of Rs. 7,49,947.57 and that action for the recovery of the loss from the contractor and disciplinary action against the official at fault was in progress. As far as the difference in figures supplied by the Audit (Rs. 14,65,987) and the figures accepted by the Department (Rs. 7,49,947) was concerned, the Committee directed that reconciliation of the two figures should be made on the basis of documentary proof as to the market rate prevailing at that time. The result should be reported to the Committee at the next series of the meetings.

As regards action being taken for the recovery of the loss suffered by the Government and disciplinary action against the official, the Department should report to the Committee the progress made.

(iii) *Serial No. 3(v)—Shortage of stores worth Rs. 12,987*—As the case was stated to be pending in court, the consideration of the item was deferred to the next series of the meetings.

(iv) *Serial No. 5 (ii)—Overpayment of Rs. 1,63,800 to the Contractor*—It was stated by the Communications and Works Department that another inquiry into the whole matter was going on. The Committee advised that instead of a departmental inquiry, a joint inquiry should be held with which the Director Audit and Accounts (Works), should be associated. The item was then deferred till the report of the joint inquiry becomes available.

(v) *Serial No. 5 (iii)—Overpayment of Rs. 8,000*—The Communications and Works Department reported to the Committee that as a result of the joint inquiry, the amount of overpayment made to the contractor had risen to Rs. 65,000 out of which civil suits were pending for the amount of Rs. 45,039 and the responsibility in respect of Rs. 28,398 had been fixed on various departmental officers against whom disciplinary action was being taken. The Committee decided that the outcome of the disciplinary proceedings against officers and the result of the civil suits pending in the civil courts be reported to the Committee at the next series of the meetings.

(vi) *Serial No. 10(ii)—Railway freight amounting to Rs. 18,139 on slack coal paid on behalf of a Contractor*—This case was examined by the previous Standing Committee at its meeting held on 17th February, 1965 when the Department assured the Committee that the amount would be recovered from the Contractor and other persons who were responsible for the overpayment.



The Committee was now informed that the amount could not be recovered from the Contractor as his whereabouts were not known. The Committee was further informed that the Sub-Divisional Officer Mr. Nazir Hussain Shah and Mr. Shakir Hussain Rizvi, Divisional Accountant were responsible for non-recoveries of overpayment from the contractor. The explanation of the Sub-Divisional Officer who failed to effect the recoveries from the bills of the Contractor was called for and found unsatisfactory. Charge-sheet against him was being submitted to Government for approval for further action. A draft charge sheet against the Divisional Accountant has been sent to the Director Audit and Accounts (Works) for taking suitable action against the Accountant.

The Committee decided that the progress made in the matters should be reported to the Committee at its next series of the meetings.

The Committee at this stage observed that as a rule the Department should start inquiry and take departmental action as soon as the receipt of the audit objections is possible. This would avoid the possibility of there being unnecessary delay leading to persons escaping the chances of action due to retirement or some other such reasons. The Director of Audit and Accounts (Works) undertook to supply a list of important objections raised during audit of accounts of the last two years so that the Department could start the departmental inquiry into the cases immediately.

(vii) *Serial No. 13—Recovery of Rs. 1,15,124 from a contractor*—The Committee was informed that recoveries and adjustments amounting to Rs. 61,527 had since been made and as regards the balance of Rs. 42,237 the matter was subjudice before the High Court and in respect of the remaining amount of Rs. 11,359 the matter was under investigation.

The Committee decided that the figures should first be reconciled with the Audit and the progress in the matter be reported to the Committee at the next series of the meetings.

IV. The Committee then proceeded to consider the explanations of the Communications and Works Department in respect of the following items appearing in the Appropriation Accounts for the year 1959-60:—

(1) *Page 3, para. 5, read with page 194—*

*Grant No. 36-Misc.—Sub-head F-2—Guarantee of annual income from Post Offices, Telegraph and Telephone Lines.*

*Saving*

Rs.  
.. 23,423

The Department explained that provision in the budget was made to cover the debits to be raised by Post and Telegraph Department against the Provincial Government on account of payment of subsidy in respect of unremunerative Post Offices. The saving was due to the fact that no debits were raised for some Post Offices which proved to be remunerative. The explanation was found satisfactory and the para was dropped.

(2) *Para. 8 page 5 read with page 175—*

*Grant No. 31—Civil Works—Major Head 80—Town Development Schemes*

*Excess*

Rs.  
.. 8,74,940

The explanation for the excess expenditure was found satisfactory. The Committee recommended that the excess expenditure be regularised.

(3) *Para. 8, page 5 read with page 175.—*

*Grant No. 31—Civil Works—Major Head "81—Capital Accounts of Civil Works outside the Revenue Accounts.*

*Excess*

Rs.  
.. 2,31,40,911

The Committee considered in detail the explanation of the Communications and Works Department with regard to the excess expenditure, examined the documents and made the following observations:—

(i) The Committee has noted that Officers of the Department had developed a habit of incurring expenditure on projects, for which there was no provision or in many cases there was excess over the amount allocated. In some cases the excess expenditure was shown in the statements of excesses and surrenders submitted by the Communications and Works Department to the Finance Department and according to Communications and Works Department showing of excess in the said statements was virtually a request for provision of additional funds which was not provided by the Finance Department. Communications and Works Department had to incur additional expenditure on the insistence of the Departments for which the jobs were being carried out by the Communications and Works Department and who subsequently granted *ex-post facto* sanction. The Committee strongly disapproved of this method and felt that this aimed at side-stepping the required budgetary control. *Ex-post facto* sanction accorded by the relevant Department meant only administrative regularization and could by no means mean that the budgetary requirements had been complied with. The Committee drew the attention of the Communications and Works Department to the following provisions of the Budget Manual and Financial Rules:—

Punjab  
Budget  
Manual

"13-1. The statement of excesses and surrenders is intended solely for the purpose of fixing the revised estimate of expenditure of the year after examination of the actual expenditure to date and for indicating what the surrenders or excesses are likely to be over the grants sanctioned. It is not intended to be a means of making provision for additional funds the need for which may arise subsequent to the framing of the budget estimates. If a particular department anticipates an excess over its existing grant and reports the excess in its statement of excesses and surrenders it does not mean that the department has thereby provided for the additional funds that it will require. The correct procedure for all Heads of Departments who anticipate expenditure in excess for the grants is to report the facts to the Finance Department through their Administrative Departments. The Administrative Department will either propose a reappropriation within the grant as a whole or prepare a supplementary demand for submission to the Legislative Assembly in accordance with the rules contained in Chapter 14".

Punjab  
Financial  
Rules.

"17-20. The department responsible for providing the funds should intimate to the Department undertaking the work the sanctioned grant within which the expenditure is to be incurred, and the department incurring the expenditure should be made responsible for seeing not only that that grant is not exceeded, but also that any anticipated savings therein are notified and surrendered in time. In cases where an excess is anticipated, the department incurring the expenditure should be held responsible for seeing that the grant for the work is appropriately increased by the employing department before the excess is actually incurred, and wished that the Department should strictly adhere to these provisions."

(ii) In one of the items on which the excess expenditure was incurred it was observed that the Additional Chief Engineer, Peshawar, authorised his own Superintending Engineer to spend an excess amount of Rs. 1,55,000 on the assumption that the same would be forthcoming in the next financial year. The Department

tried to justify this by quoting from the Public Works Department Code, para 5.7, which reads as follows:—

“Pending receipt of intimation for the budget grant for the year, the disbursing officer in the Buildings and Roads Department are authorised to take work and incur expenditure subject to the following limits:—

(i) All original works in progress at the end of the previous year may be continued.”

Contrary to what the Communications and Works Department wanted the Committee to believe, this para only meant that the works in progress, which were not completed at the end of the year could be continued during the next year for a short period of say about two months, before the new budgetary provisions are communicated but neither has any authority been given to spend within the same year any amount in excess of the amount sanctioned. Hence the action of the Additional Chief Engineer in authorising excess expenditure to continue with the work in progress during the same year was highly irregular.

(iii) The Committee also examined the item of “Suspense” and directed the Communications and Works Department to reconcile with the Audit the sum of Rs. 34,73,456 shown under “Miscellaneous Advances”. With regard to the sums of Rs. 79,27,363 and Rs. 74,17,701, the Committee felt that further and more vigorous efforts should be made to reduce the amount under “Suspense” under these heads. The Committee further directed the Communications and Works Department to take particular care to ensure that amounts under “Suspense” should not be allowed to grow but should be cleared from year to year.

(iv) The Committee, therefore, while recommending that necessary grants might be made to regularise the excess expenditure recommended to the Department to take necessary action against those officers, who were responsible either for negligence in not adhering to the budgetary provisions, or for incurring excess expenditure or for going beyond the scope of their powers.

(4) Page 5, para. 9 read with page 162—

*Grant No. 29-Civil Works—Major Head 50—Civil Works (Charged) Excess Rs. 55,347*—The Communications and Works Department informed the Committee that the approval of the President for exceeding the limits prescribed under G.G.O. No. 7, dated 26th July, 1962 was being obtained. The para was dropped subject to regularisation.

(5) Page 9, para 17(a)(1) — *Expenditure on Works in anticipation of technical sanction to estimates*—The Committee observed that out of 2107 cases, the Communications and Works Department had been able to regularise almost all cases with the exception of only eleven cases. The Committee, therefore, decided to drop this item with the remark that the progress made in the other eleven cases should also be reported to the Committee at its next series of the meetings. At the same time, the Committee wished to draw the attention of the Communications and Works Department to the rule that no work should be commenced unless technical sanction by the competent authority was obtained. The Department should be more careful in future and not let cases of this nature occur again.

(6) Pages 11-13, para. 17(a)(2) — *Excess payments* — (i) *Serial No. 1* — The recovery of Rs. 1,997 having been made and verified by the audit, the item was dropped.

(ii) *Serial No. 2* — As the claim of the Contractor in respect of which Audit objection was taken had since been admitted and regularized by the competent authority, the item was dropped.

(iii) *Serial No. 3*—While considering this item the Committee noted with alarm that while the original explanation given by the Department read as follows:—

“For the recovery of over-payment of Rs. 3,071 from Hakim Al'm Sher, the then contractor (who no longer is working in the Department) the Executive Engineer, Mianwali Provincial Division has issued necessary notice to him to deposit the amount in question with the Sub-Divisional Officer, Mianwali immediately. The reply from the contractor is awaited.

The Superintending Engineer, Provincial Circle, Sargodha has directed the Executive Engineer, Mianwali Provincial Division to contact the contractor and get the amount realised from him at personal level and after recovery the matter be got verified by Audit”. The Department now wanted the Committee to accept a fresh explanation reading as follows:—

“The case has been thoroughly examined in the Regional Office after obtaining the copies of the relevant record and the Agreement No. 21 of 1948-49 entered into by Hakim Alim Sher, contractor. It has been found that the rate of Rs. 4 per cent Cft. for the earth work done by Hakim Alim Sher, Contractor, did not include the processes of watering and rolling. As laid down in P.W.D. Specifications No. 15-1, to which the rate related, the contractor was to ram and consolidate each layer of earth before the next was laid. As such the payment made to the contractor was correct”.

The two explanations were contrary to each other and it was therefore, evident that one or the other of these two was incorrect. The Department pressed for the acceptance of the latter explanation. The Committee pointed out that time given to the Department for explaining various items was not for sending any haphazard explanation but to furnish the Committee with a true and correct picture so as to enable the Committee to fulfil its duty and in a proper manner; supplying of information or explanations which were not correct or not based on facts was a very serious matter and the Committee could not with equanimity put up with such attempts.

During the examination of the documents pertaining to this item an agreement was produced for the work it contained an extra condition reading;

“Earth work will be done without watering and-rolling.” However this condition which was hand written had been scored out. Only one set of initials appeared against this correction. This opened up the avenue for speculation as to whether the initials were obtained at the time when the condition was added to the agreement or at the time of scoring it out. The Department's contention was that the initials were obtained when the original condition was added and the scoring out has been done unauthorisedly by some one.

The Department produced a letter from the Executive Engineer to the Superintending Engineer and a letter from the Superintending Engineer to the Chief Engineer and sanction of the Chief Engineer to the insertion of the additional condition by the contractor saying that rolling and watering would not be included in the rate quoted by the contractor and stated that this was done before the acceptance of the tender.

However, it was difficult for the Committee to accept this in view of the fact that the ink used for scoring out as well as for the initials appeared to be the same, whereas the ink for writing down the original condition appeared to be different. Further, the ink for scoring out, the initials and a full signature of the Officer appeared to be the same whereas the ink used for the addition of the additional condition was different.

Two things were evident from all this. One, that there could be no doubt that the agreement had been tampered with and, second, that agreements of this nature lying in the custody of the Department were not being kept in a safe place where they would not be tampered with. This led the Committee to the

conclusion that given the occasion and the necessity, any person desiring to do so could easily tamper with the agreements lying in the custody of the Department.

The Audit pointed out at this stage that a copy of the agreement was not supplied to them at proper time. It was very difficult for the Committee which did not consist of hand-writing experts, either to accept the contention of the Department or to reject it. But it could safely be presumed that this matter required further inquiry and, as such, an opportunity was given to the Department to produce before the Committee more documents to substantiate their contention and more particularly produce the tenders submitted by all contractors in original.

The Committee decided to take up this item while dealing with the accounts for the year 1960-61 when the Department would produce all the relevant documents and letters pertaining to this case along with the correspondence already produced and also the original tenders submitted by all tenderers, so that the Committee could go into this matter thoroughly.

(iv) *Serial No. 4*—The Committee was informed that the amount in question namely, Rs. 4,249 had been received from the contractor and no action against the Sub-Divisional Officer was considered necessary. The Committee once again noted a contradiction between the explanations furnished by the Department. In the first explanation submitted by the Department it was stated—

“As the Sub-Divisional Officer responsible for this irregularity has since retired, no disciplinary action can be taken against him at this stage”.

Whereas in the explanation given subsequently it was stated—

“The full amount has been recovered and verified and accepted by the Audit. Since the amount was recovered in full before the retirement of the Sub-Divisional Officer, no action was deemed fit to be taken against him at the time of his retirement.”

The Committee did not accept either of the two explanations because the recovery of the amount did not, in any way, belittle the irregularity committed by the Sub-Divisional Officer against whom departmental action ought to have been taken before he was allowed to retire.

(v) *Serial No. 5*—The Committee considered this item and noted with pleasure that Rs. 2,000 had been recovered out of a total sum of Rs. 3,905 and that efforts were being made to recover the balance of Rs. 1,905 also. The recovery of Rs. 2,000 should be got verified by the Audit and the recovery of the balance of Rs. 1,905 should also be reported to both the Audit as well as the Committee at its next series of the meetings.

As a result of discussion, while examining this case, it appeared that responsibility for this over-payment was probably that of both the Executive Engineer as well as the Divisional Accountant. It would be worth while for the Audit to go into this matter in order to ascertain whether the Divisional Accountant was also responsible and, if so, take necessary action against him. In the mean-time the Committee once again, noted with deep concern that the Executive Engineer was allowed to retire on 31st May, 1964 without any departmental action having been taken against him although this irregularity was pointed out to the Department in August, 1958.

(vi) *Serial No. 6*—The Committee was informed that steps were being taken to effect recovery from the contractor or from the officials concerned. The Committee decided that the result be reported to the Committee at the next series of the meetings.

(vii) *Serial No. 7*—In this case recovery had been made and verified by the Audit. The item was dropped on the assurance given by the Chief Engineer that a severe warning would be administered to the defaulting officer.

(viii) *Serial No. 8*—According to the Department the total amount involved was Rs. 5,235.73 and not Rs. 14,759 as reported by the Audit. Out of this Rs. 1,619.25 had been recovered and efforts were being made to recover the balance from the contractor. The Committee observed that the reduction in the amount of excess payment should first be reconciled with the audit and efforts for the recovery of the exact amount should be continued and reported to the Audit and the Committee at the next series of the meetings when reasons should also be given as to why action could not be taken earlier. The Committee was of the view that there had been un-necessary delay in taking proper action against the Overseer and the Sub-Divisional Officer responsible and the Department tried to put the Committee off by stating that their present addresses and whereabouts were not known. On further examination it was found that the Overseer as well as the Sub-Divisional Officer were still either in the service of the Department itself or on deputation. The Committee directed that the Department should proceed in the matter immediately. The Committee also asked the Department to take steps to see that explanations of this nature which could by no stretch of imagination be accepted by the Committee were not furnished in future.

(ix) *Serial No. 9*—In this case it has now been established that no over-payment was made. The item was therefore dropped.

(7) *Pages 13-15, paragraph 17 (a) 3—Shortages of Stores—(i) Serial No. 1—Shortage of 760 maunds and 30 Seers of M.S. Rounds 3/8*—Communications and Works Department informed the Committee that full cost of the material received short had been recovered from the firm. This left a balance of Rs. 7,144 which was paid to the Railway as freight but as the Railway did not admit the claim for refund Government would be approached to write off the amount.

It was pointed out by the Audit that for 700 maunds of steel bars, the railway could not have charged Rs. 7,140 as freight.

The Committee agreed with the Audit and directed that the matter should be gone into in detail again and should come up before the Committee when the accounts for 1960-61 were being examined.

(ii) *Serial No. 2—Shortage of Stores worth Rs. 20,109*—The Department's version was that the shortage was not of Rs. 20,109.12 but of Rs. 15,537.75 and out of this amounts Rs. 4,792 were stated to have been recovered. The Committee directed that action for recovery or writing off of the balance should be pursued. Subject to these remarks and verification of the actual shortage and recovery of the Audit the item was dropped.

(iii) *Serial No. 3—Shortage of empty cement bags and drums worth Rs. 1,80,917*—This item was deferred till further inquiry and report by the Department and necessary verification by the Audit.

(iv) *Serial No. 4—Shortage of 4347 cement bags*—The Committee decided that this shortage should also be inquired into by a joint Committee of the Department and the Audit alongwith the inquiry into the shortage reported in paragraph 17 (a) 3, serial No. 1 in the Appropriation Accounts for 1958-59.

(v) *Serial No. 6—Shortage of articles worth Rs. 14,241*—According to the Department the case related to the period of former Khairpur State. Most of the articles were scrap and were written off. The question of M.S. Centering worth Rs. 10,000 was still under inquiry. The Committee desired that the Department should take steps to regularize the shortage of stocks.

With these remarks the item was dropped.

(vi) *Serial No. 7—Shortage of material worth Rs. 13,150*—It was stated that order have been issued to recover the loss from the store keeper in easy instalments of Rs. 50 per month. The Committee observed that if the procedure of recovering the amount at the rate of say fifty rupees was adopted the official would retire by the time the recovery was made. At the same time the store keeper who had already



been found guilty for shortage would continue to be in service and probably remain incharge of stores. This would again provide him with best opportunities for his activities is he so desired. Therefore in the opinion of the Committee it would be better to take disciplinary action against the officials and dismiss him.

With these remarks the item was dropped.

(vii) *Serial No. 9—Shortage of Stock Worth Rs. 5,624*—It was stated by the Department that Rs. 240 have been recovered from the Overseer and remaining amount would be recovered at the rate of Rs. 4 per mensem. The Committee observed that at the rate the recovery was being made it would not be possible to completely recover the shortage. The Committee felt that in such cases the Department should consider the possibility of instituting criminal proceedings against the officials concerned.

With these remarks the item was dropped.

(viii) *Serial No. 10 Shortage of Stores worth Rs. 3,191*—The Committee was informed that Rs. 371-50 had already been recovered and the balance of Rs. 3,024-99 was due from Mr. Amir Sultan Malik *ex-overseer*. Steps were being taken to recover the amount from him. The Committee felt that if the Head of the Department would have been taken a little more interest the balance could have been recovered by now.

With these remarks the item was dropped.

(ix) *Serial No. 11—Shortage of Stores worth Rs. 14,747*—The Department explained that a part of the recovery has been effected and steps were being taken to expedite the recovery of the balance. The explanation was found satisfactory and the item was dropped.

(8) *Pages 15-18, paragraph 17 (a)—4-Misappropriation of Stores—(i) Serial No. 1—Amount Rs. 4,500*—The shortage was in fact an accounting error which had since been verified by the Audit. The item was dropped.

(ii) *Serial No. 2—Amount Rs. 7,607*—The Department explained that the officer was being charge-sheeted. The Committee felt that this was one of those cases in which inordinate delay had been made by the Department in initiating necessary action and decided that the item should come up again before the Committee when accounts for 1960-61 were under examination.

(iii) *Serial No. 3—Amount Rs. 1,425*—In the explanation it was stated that if it was a genuine shortage the competent authority should verify it and get it written off. The Committee observed that the Department did not care to go into the aspect of tampering of records pointed out by the Audit. The Committee considered it a very serious offence that any record of the Department was tampered with and felt strongly that action in this matter should have been taken immediately on its being pointed out by the Audit.

The Committee decided that the Department should now look into the entire case again and report back to the Committee while accounts for the year 1960-61 are taken up.

(iv) *Serial No. 4. Amount Rs. 1,394*—The Department stated that an enquiry was going on in the matter. The item was dropped subject to verification of recovery of the amount by the Audit and on the understanding that in case the Audit was not satisfied the item would be brought back to the Committee at its next series of the meetings.

(v) *Serial No. 5—Amount Rs. 2,10,614*—The Committee considered that in this case an enquiry should be made jointly by the Department and the Audit and the item should come up again before the Committee when the accounts for 1960-61 are taken up.

(vi) *Serial No. 7—Amount Rs. 13,362*—The Committee was informed that the case was before the High Court. The Committee decided that the item should be brought up again before the Committee alongwith the accounts for the year 1960-61,

(vii) *Serial No. 8—Amount Rs. 12,160*—In this case, adjustment of most of the articles had been made. The cost of 14 tons of M.S. Bars and 12 Socket was under recovery. The Committee decided that this should be watched by the Audit. The item was dropped.

(viii) *Serial No. 9—Amount Rs. 2,850*—As the Department was still making the necessary enquiries in the matter the item was deferred to be taken up again with the accounts for 1960-61.

The Committee expressed its concern that although five years have elapsed still the responsibility had not been fixed.

(ix) *Serial No. 10—Amount Rs. 2,550*—As the entire amount in this case had been recovered and a warning had been administered to the overseer concerned, the item was dropped.

(9) *Pages 18-19 paragraph 17 (a) 5—Undue financial Aid to the Contractors—(i) Serial No. 1—Amount Rs. 9,702*—As recovery of the entire amount had been made and warning issued to the defaulting officer, the item was dropped.

(ii) *Serial No. 2—Amount Rs. 1,05,287*—Same remarks as in (1) above.

(iii) *Serial No. 3—Amount Rs. 69,264*—As the case was reported to be pending in a Court the Committee decided that the item should come up before it again when the accounts for 1960-61 are taken up.

The result of the departmental enquiry and the disciplinary action taken against the defaulting officer should be reported to the Committee.

(iv) *Serial No. 4—Amount Rs. 13,480*—According to the Department, the recovery was being adjusted against the security deposit of the Contractor. The item was dropped subject to verification of recovery by the Audit.

(v) *Serial No. 5—Amount Rs. 17,679*—According to the Department the recovery had been effected and only a sum of Rs. 1,490 was still to be verified by Audit. Warning had been given and disciplinary action taken against the defaulting officer.

The item was dropped subject to verification of the recovery of Rs. 1,490 by Audit.

(10) *Page 22, paragraph 17 (a) 6—Fictitious Stock Adjustment—(i) Serial No. 1—Amount Rs. 1,59,244*—The Committee decided that joint enquiry should be held by the Department and the Audit in this matter and the result be reported to the Committee at the next series of the meetings.

(ii) *Serial No. 2—Amount Rs. 95,864*—As warning had been administered and disciplinary action taken against the official concerned, the item was dropped.

(iii) *Serial No. 5—Amount Rs. 1,15,637*—Same observation as in case of (ii) above.

(iv) *Serial No. 6—Amount Rs. 2,55,385*—Same observation as in case of (ii) above.

(v) *Serial No. 7—Amount Rs. 40,000*—As warning was stated to have been issued to the Sub-Divisional Officer and the Overseer, the item was dropped subject to verification by Audit.

(vi) *Serial No. 8—Amount Rs. 7,934*—The explanation was considered satisfactory and the item was dropped.

(11) *Page 22, paragraph 17 (a) 7—Irregular payments—(i) Serial No. 1—Amount Rs. 2,473*—It was stated that the recovery of Rs. 130.12 from the Contractor had already been made and as the remaining amount should not be recovered, the question of write off was under consideration. The Committee advised that the matter should be taken up with the Bank which had indemnified the transaction. Subject to this observation, the item was dropped.



(ii) *Serial No. 2—Amount Rs. 8,417*—As the enquiry into this case was reported to be in progress, the item was deferred till the enquiry was completed and necessary action was taken. The item should come up before the Committee again when the accounts for the year 1960-61 are taken up.

(iii) *Serial No. 3—Amount Rs. 3,390*—The item was deferred for further enquiry and report in the next series of meetings of the Committee.

(12) The consideration of remaining items was deferred to the next series of meetings of the Committee.

The Committee then adjourned to meet again on 22nd April, 1966 at 9-00 a.m.

LAHORE :

The 20th April, 1966

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 23RD APRIL, 1966 AT 9-00 A.M. IN  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE**

**I. The following were present :—**

- |   |    |                  |
|---|----|------------------|
| (1) Mr. Zain Noorani, M.P.A.  | .. | Chairman.        |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. | Member.          |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. | Member.          |
| (4) Rai Mansab Ali Khan Kharal, M.P.A.  | .. | Member.          |
| (5) Qazi Muhammad Azam Abbasi, M.P.A.   | .. | Member.          |
| (6) Mr. Muhammad Mohsin, C.S.P., and Mr. Asif<br>Rahim, C.S.P., Additional Finance Secretaries.   |    | Expert Advisers. |
| (7) Mr. Riaz-ul-Hasan, P.A. & A.S., Accountant<br>General, West Pakistan.   | .. | By invitation.   |
| (8) Mr. Qamar Sardar Khan, P.A. & A.S., Joint<br>Director, Commercial Audit.  | .. | Ditto.           |
| (9) Dr. S. M. Ikram, S.I., C.S.P., Member, Board of<br>Revenue.   | .. | Ditto.           |
| (10) Mr. Asif Ali Shah, C.S.P., Deputy Secretary to<br>Government of West Pakistan, Industries,<br>Commerce and Mineral Resources Department<br>alongwith Director of Industries, Controller,<br>Printing and Stationery, Member (Finance),<br>West Pakistan Industrial Development Cor-<br>poration and Member (Finance), West Pakistan<br>Small Industries Corporation. | .. | Ditto.           |
| (11) Mr. Abdul Qayyum, C.S.P., Chairman, Road<br>Transport Corporation.   | .. | Ditto.           |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary of the Committee.

**II. The Committee in the first instance took up the consideration of the following items of Excise and Taxation Department appearing in the Appropriation Accounts for the year 1959-60.**

		Rs.
Page 3, Paragraph 5	.. Original Grant	17,38,500-00
read with page 75	.. Surrender	59,000-00
	.. Final Grant	16,79,500-00
Grant No. 3-Opium	.. Expenditure	15,48,130-00
	.. Saving	1,31,370-00

In this case out of the original grant of Rs. 17,38,500-00 a sum of Rs. 59,000-00 was surrendered leaving the final grant as Rs. 16,79,500-00; out of this final grant a sum of Rs. 15,48,130-00 was spent and there was a resultant saving of Rs. 1,31,370-00. The explanation given by the Department for the surrender of Rs. 59,000-00 and saving of Rs. 1,31,370-00 were as follows :—

(a) *Surrender of Rs. 59,000*—According to the Department a major portion of this amount was surrendered because all fresh recruitment was stopped pending receipt of the report of the Re-organization Committee set up by Government and the remaining amount had to be surrendered due to resort to restricted touring as

a measure of economy and non-payment of certain allowances. Explanation for the surrender was considered satisfactory.

(b) Saving of Rs. 1,31,370-00 occurred in the under-mentioned items :—

*A-Superintendence*—(i) Rs. 230-00—Due to non-drawal of annual increment for want of pay slip.

(ii) Rs. 2,018-00—Due to certain posts having remained vacant on account of imposition of ban on recruitment.

(iii) Rs. 10,840-00.—Due to non-payment of arrears of uniform allowance sanctioned by the Central Government in 1954 to the staff transferred to the Provincial Government as the matter remained under correspondence between the Central and Provincial Governments.

(iv) Rs. 14,000-00.—Due to non-purchase of Jeep.

*B-Opium Factory*—Rs. 4,780-00.—Due to non-payment of arrears of pay to the Staff on account of no fixation of their pay in the pay scales revised by the Provincial Government in 1960.

*C-Purchase of Opium*—Rs. 99,500-00—Due to less purchase of opium than anticipated due to less production.

The Committee accepted the explanations for the above savings with the exception of savings of Rs. 10,840-00 and Rs. 4,780-00. As regards the saving of Rs. 10,840-00 it was pointed out by the Audit that the staff was transferred from the Central Government to the Provincial Government in 1956 and no reasons have been given for which arrears due to the staff in 1954 could not be paid during 1956-57 1957-58 and 1958-59. The amount was not paid even in 1959-60. As regards Rs. 4,780-00 the Committee wanted to know as to how provision for payment of arrears was made in the budget for 1959-60 when the pay scales were revised in 1960. The Additional Finance Secretary pointed out that pay scale might have been revised earlier. The Committee directed that full and complete explanations for these two savings should be submitted by the Department when the Committee considers the Accounts for the year 1960-61.

(2) *Page 79—Note 3-Failure to furnish Store Accounts*—As the Accounts in question had been furnished to the Audit, the item was dropped.

III. The committee then took up the consideration of the explanations of the following Departments in respect of items pertaining to the Commercial Accounts for the year 1959-60.

#### EXCISE AND TAXATION DEPARTMENT

*Page 10, Paragraph 18 (xiv) Non-compilation of Accounts of the opium and Alkaloids Factory, Lahore*—The Committee was informed that the outstanding accounts for 1958-59 to 1959-60 have since been drawn up and audited. The Department assured the Committee that in future every possible effort would be made to prepare and submit the accounts in time. With this assurance from the Department, the item was dropped.

#### FINANCE DEPARTMENT

*Page 746 Annexure Serial No. 1—Alleged misappropriation by encashing of forged bills at Government Treasuries*—(i) *Withdrawal of Rs. 15,265 from Sukkur Treasury*—As this case has since been finalized and included in the Commercial Accounts for 1960-61, the item was dropped to be taken up alongwith the Accounts for 1960-61.

(ii) *Withdrawal of Rs. 4,830-00 from Khairpur Treasury*—The Department explained that as a result of a departmental enquiry held under the West Pakistan Government Servants (Efficiency and Discipline) Rules, 1960, the Cashier of Khairpur Treasury was held responsible for the wrong payment for which action would be taken against him.

The Committee was not satisfied with the explanation given by the Department for the delay in dealing with this matter and impressed upon the Department to take all necessary steps to finalise the enquiry and action against the Officer concerned, and to report back the result to the Committee when it considers the accounts for the year 1960-61.

IV. The Committee then considered the explanations of the Industries, Commerce and Mineral Resources Department in respect of the following items pertaining to the Commercial Accounts for the year 1957-58.

(1) *Page 129, Paragraph 130—Shortage of Stores*—In this case there was a shortage of store worth Rs. 94.00 in the Provincial Stationery Office, Lahore. The previous Standing Committee on Public Accounts had examined this item at its meetings held on 11th August 1964 and 20th February 1965, when the Committee was informed that this office did not prepare a Profit and Loss Account because it was not treated as commercial unit. The Committee suggested to the Department to consider the advisability of preparing Profit and Loss Account.

The Committee was now informed that the Department had accepted the advice of the Committee and in future the accounts would be prepared accordingly. The committee was also informed that the amount in question had already been written off by the competent authority. The Committee noted with great pleasure that the suggestion of the Public Accounts Committee had been accepted and dropped the para.

(2) *Pages 55-56, Paragraph 60-61—The Punjab Government Cotton Mills, Lahore*—This case was last considered by the previous Standing Committee at its meeting held on 21st May 1965. The Committee after considering all aspects of the case felt that the case was not being pursued, as it should have been in the Administrative as well as the Law Department. The Committee suggested that the whole case should be re-examined and the guarantee if it was good and proper should be pressed and money should be realized.

The Department now explained that an application for appointment of an arbitrator for determining the value of stock and stores which was recoverable from the parties had been filed in the Court of Senior Civil Judge, Lahore. As regards the recovery of the amount from the Central Co-operative Bank Limited, Sialkot, the matter was under consideration of the Law Department.

The Committee noted with regret that no further progress had been made with regard to the recovery of the amount. The Committee felt that merely to have cases pending in the court did not help the recovery of the amount. What was actually required was the proper pursuing of the cases and more determination to try to get these cases decided early. The Committee directed the department that in case the guarantee furnished by the Central Co-operative Bank Limited, Sialkot, was not valid or good, the matter should have been reported to the Co-operation Department for action against the said Bank. In the opinion of the Committee even now this should be done. The Committee desired that more vigorous efforts should be made for the recovery of the amount and deferred the item for consideration gain when it considers the accounts for the year 1960-61.

V. The Committee then considered the explanation of the Industries, Commerce and Mineral Resources Department in respect of the following item pertaining to the Commercial Accounts for the year 1958-59.

*Page 10, Paragraph 18 (iii)—Delay in preparation of Accounts of Sales and Display Depot, Lahore*—The Committee was informed that the Accounts for the year 1958-59 have since been prepared and audited. The Committee was further informed that one of the officials responsible for the delay in the preparation of accounts was no more in service while another such official had since been screened out and one of the charges against him was that he left the accounts incomplete. The Committee recommended to the Department that in view of the fact that they had so many sale depots all over the country, some sort of a fool-proof method or programme should

be enforced whereby the accounts of the various depots should reach the Department at relevant stages by a particular date. With this observation, the para was dropped.

VI. The Committee then considered the explanations of Departments in respect of the following items pertaining to the Commercial Accounts for the year 1959-60.

### INDUSTRIES, COMMERCE AND MINERAL RESOURCES DEPARTMENT

(1) *Pages 9-10, Para. 18—Non-compilation preparation of accounts of commercial organizations.*

(i) *Item No. (i) Virginia Tobacco Redrying Factory, Khairpur*—The accounts of this organization which is in liquidation having since been prepared and audited, the item was dropped.

(ii) *Item No. (ii) Sales and Display Depot, Lahore*—The Committee was informed that the accounts of this organization had not yet been submitted to Audit. The Committee noted with regret that the state of affairs was far from satisfactory as the accounts had not been prepared for a number of years and the Incharge of the Department paid no attention to this aspect of the matter. The action taken by the Department against the official responsible for such an extraordinary delay was not intimated to the Committee. The Committee hoped that the Department would now take necessary action and get the accounts prepared as early as possible.

(iii) *Item No. (iii)—Punjab Cotton Mills, Lahore (in liquidation)*—The accounts of this organization having since been prepared and audited the item was dropped.

(iv) *Item No. XII—Excise and Salt Department, Lahore.*

(v) *Item No. XIII—Government owned salt Stores at Saran*—Explanations for non-preparation of accounts of the above two commercial organizations were not furnished to the Committee. The Committee desired that the Department should take immediate steps for preparation of these accounts and explain to the Committee at its next meetings when it considers the accounts for the year 1960-61 detailed reasons for delay in the preparation of these accounts.

(2) *Page 19, Para 22—The Failure of a project resulting in a loss of Rs. 40,32,955-00*—The former Government of Khairpur State established a factory at Khairpur during the year 1954 to redry Tobacco for export to foreign market to earn foreign exchange. The Government of West Pakistan after a detailed study of the project found that the factory was established without ascertaining basic soundness of the project and its working on sound commercial lines. Further it was noticed that the place for establishing the Tobacco factory at Khairpur was unsuitable as no tobacco was grown in Khairpur State and all Tobacco was purchased from a far off place as Mardan District causing a lot of freight charges and damage in transit. The Tobacco purchased was found to have been paid for at exorbitant rates and no proper storage arrangement existed for the Tobacco causing lot of damage to the stocks. The capacity of the plant was much in excess of the quantity of Tobacco purchased resulting in heavy expenditure on the running of the factory. A huge amount was spent on the training of the staff and advertisements for the disposal of the redried Tobacco without any fruitful result. The management of the factory and the maintenance of accounts were found to be in a deplorable condition. The Government of West Pakistan accordingly decided in December, 1956 to close down the factory and dispose of its assets to save Government from further losses which were inevitable due to the factors stated above. The loss of Rs. 40,32,955-00 was thus sustained by the factory which the Department propose to write off on preparation of the final liquidation accounts.

The Committee found that it was one of the most scandalous cases where an industry costing the exchequer a good sum of money was set up without a proper feasibility report being obtained and then when the whole project failed proper action

was not taken by the Department to recover even a part of the loss which the Province had to bear. All that the Committee at this stage could do was to suggest to the Department that no further time should be allowed to lapse and whatever action was to be taken should be taken quickly and the loss assessed and the necessary orders issued for writing off of the amount.

(3) *Pages 27-28, Para 40 to 44—Government Demonstration Weaving Factory, Shahdara.*

(i) *Para 40—Transfer of expenditure from Commercial to Education side*—In this case an expenditure of Rs. 4,19,822.00 was transferred from the commercial to the education side and a profit of Rs. 3,66,581.00 was thus shown. But for this transfer of expenditure, the profit would not have been there and the books would have shown a loss of Rs. 53,241.00.

The previous Public Accounts Committee on 11th August 1964 had recommended that the position should be reviewed, specially for the justification of the transfer of an expenditure of Rs. 4,78,037 to the education side during 1957-58. The Committee was informed that a Committee had been appointed and it would go into this question. The Committee noted with regret that almost 2 years had been allowed to lapse before this question was taken up. In the opinion of the Committee this position was not wholly satisfactory. The Committee again impressed upon the Department to get the whole matter reviewed at an early date and find out a solution of the problem.

(ii) *Para 41—Sundry Creditors*—The amount of sundry creditors stood at Rs. 2,13,153.00 at the close of the year. The Department could not furnish the name of creditors and the amount due to each of them. The item was therefore deferred to be taken up when the accounts for the year 1960-61 are examined. The Department was asked to furnish detailed list of sundry creditors at that time.

(iii) *Para 43—Sundry Debtors—Rs. 2,17,512.00*—The decision taken at item (ii) above should apply to this item also.

(iv) *Para 44—Excesses and shortages of Stores worth Rs. 24,020.00 and Rs. 29,263, respectively*—The Committee was informed that as there was no quality control on the cloth produced at the Mill, the cloth of one quality gets mixed with the cloth of the other quality which results in excess in one quality and shortage in the other. The Committee was further informed that Government had been approached for regularising the said excess and shortage.

The Committee was of the opinion that in the absence of proper quality control considerable manipulation was possible at the hands of the officials disposing of the said cloth. The Committee was of the view that the entire administration and control of this Mill required re-organization.

The Committee felt that in the present case proper and adequate arrangements were not made for physical checking of stores before they were certified. The Committee therefore desired that although Government has been approached to write off the amount the Department should state whether adequate investigation was made fixing the responsibility for the lapse on any person or persons concerned and what action the Department intended to take against them. The item was deferred to the next series of the meetings of the Committee when the accounts for the year 1960-61 are examined.

(4) *Page 50, paragraph 63. Excess and Shortage of Stores in Government Demonstration and Weaving Factory, Shahdara*—Same decision as in the case of item No. (3) (iv).

(5) *Page 127, paragraph 121—Virginia Tobacco Redrying Factory, Khairpur*—As the loss incurred in the sale of assets of the Factory had since been regularised under the orders of the competent authority, the para was dropped.

(6) *Page 22, paragraphs 24—27—Sales and Display Depot at Lahore*—(1) Paragraph 24—Treasury Challan Missing—Rs. 24,437. In this case Treasury Challans showing the deposit of Rs. 24,437 into State Bank of Pakistan could not be produced before the Audit party which created a doubt whether the amount had actually been

deposited. The receipt of deposit had not yet been verified from the Treasury. As the official concerned was involved in other cases of mis-appropriations the whole matter was stated to be under Police investigation.

The Committee noted with concern that misappropriations were possible because there was no method by which it could be ensured by the Department that the amount was deposited every day into the bank. The Committee recommended that this matter should be examined by the Department and a procedure for keeping a watch be adopted.

The Committee desired that the Industries Department should get the deposit verified from the Treasury with the assistance of the Finance Department and report the result to the Committee when it examines the accounts for 1960-61.

(ii) *Paragraph 25—Outstanding Advance of Rs. 10,000*—In this case a sum of Rs. 10,000 was advanced to an Assistant Director for meeting redecoration expenses. No accounts of the expenses incurred out of the said advance were rendered by the officer who, in the meantime, died. According to the Department the work had been completed by a contractor to whom the money was advanced and the whole amount had been accounted for.

As the Department could not produce the details of the transactions made in this case, the item was deferred to the next series of the meetings of the Committee when it examines the accounts for 1960-61. The Department was asked to state particularly as to whether the advance was paid before the work was undertaken or during the period when the work was being done and whether such payment was one of the terms of the contract.

(iii) *Paragraph 26, Loss of Rs. 2,664 due to excessive purchase and defective storage*—The Department explained that articles having lost market on account of long storage had been auctioned with the result that they could only fetch 2 to 5% of their book value.

The Committee noted that there had been accumulations for fifteen years without proper check with the result that the things, which went out of fashion, could not be sold. Had these articles been disposed of much earlier it would have saved the Government a major portion of the loss. Subject to regularisation of the loss by the competent authority the para was dropped.

(7) *Pages 181-82, para 172, Loss on account of increase in the rates of transport charges*—According to the Department the loss was only nominal because in fact there was an overall profit. The Department explained that the production charges were 64 paise per maund and 4 paise were paid for despatch making a total expenditure of 68 paise per maund; but the prescribed rate of issue was 72 paise which included 2 paise for despatch. Thus there was a profit of 4 paise per maund. The audit objection was that there was a loss because 4 paise instead of 2 were spent on despatch. The Department further informed the Committee that Government have been approached to raise the price from 72 paise to one rupee per maund (including despatch charges which should not be charged separately).

The Committee was of the opinion that Government should have been approached long ago to rationalise the break-up of the price and preferably to consolidate the two charges. With this observation the paragraph was dropped.

(8) *Page 746, Serial No. 2 to 6 (Annexure)—Unfinalized cases*—According to the Department the cases were pending investigation and were almost in the finalization stages. The item was deferred for the next series of the meetings of the Committee when it examines the accounts for the year 1960-61.

#### TRANSPORT DEPARTMENT—WEST PAKISTAN ROAD TRANSPORT BOARD

(1) *Page 222, paragraph 198—Shortage of Stores worth Rs. 16,87,321*—The Department explained that the officials held responsible for the shortages who were

still in service had since been charge-sheeted and as for the officials who were no longer in service, no action could be taken.

The Committee was not much satisfied with the details furnished about—

- (1) the delay in conducting the inquiries;
- (2) the delay in charge-sheeting the persons still in service.
- (3) certain persons responsible for shortages going out of service, without being taken to task.

The Committee postponed the consideration of the item to its meeting to be held some time in May, 1966 when the Committee wanted to have full details and in particular, the following information:—

- (1) When was the report of the preliminary inquiry submitted?
- (2) What was the gap between the submission of this report and charge-sheeting?
- (3) What would be the extent of recovery?
- (4) To what extent the officials were responsible?
- (5) Numerical number of the officials who are still in service and against whom the Department is proceeding and how many of them have left service?

(2) *Page 222, paragraph 199—Pilferage of 497½ lbs. of Tin Ingots valuing Rs. 4,444*—This item was considered by the Committee at its previous meeting held on 26th November 1965. The Department had stated that the Store-keeper who was held guilty of pilferage had furnished a security of Rs. 5,000 in the form of fidelity bond with the Co-operative Insurance Co., and that a claim was lodged with that Company on 4th March 1966 and the matter was being pursued. The Committee was further informed that the Head Store-keeper was sentenced to one year's rigorous imprisonment.

The Committee was now informed that the Head Store-keeper was not covered with any Fidelity Insurance Guarantee at the time of the material was stolen from the Central Stores. The Committee considered this to be a very serious matter that wrong information was furnished to the Committee and asked the Department to report to the Committee at its next meeting in May, 1966 whether the responsibility for furnishing wrong information had been fixed and if so, what action had been taken against the person concerned.

The Committee was further informed that the money could not be recovered from the Store Purchase Officer as he was dead and from the Manager of the Stores as he was no longer in service. The Committee came to the conclusion that there was not much likelihood of the amount being recovered and suggested that definite steps should be taken to settle this matter finally and to report the result to the Committee at its next series of meetings when the accounts for the year 1960-61 are examined.

(3) *Page 222, paragraph 200—Loss due to delay in disposal of obsolete spare parts*—This case was also considered by the Committee at its previous meeting held on 26th November 1965. The Committee had recommended that in future the Road Transport Corporation should consider making purchase of relevant spare parts a condition at the time of disposal of their buses which were no more required by them, because if this were done the Road Transport Corporation would not have such large stocks of obsolete spare parts left with them.

The Department now stated that it has accepted the suggestion of the Committee that it should be a pre-condition at the time of disposal of buses no more required by the Department that spare parts of the same model should be purchased along with buses and as far as possible would adhere to this policy.

The Committee desired that efforts should be made to dispose of obsolete spare parts stored in the Central Stores, Lahore, as expeditiously as possible and dropped the para.



(4) Pages, 222-223, paragraph 201—*Accumulation of surplus and obsolete stores and spare parts*—This case was similar to that mentioned in item (3) above and the Committee made similar observation.

The Committee pointed out to the Department that stores valuing Rs. 55,693 which were transferred to the Central Stores Office from the unit continued to stay on the books of the Unit, hence a doubt arose as to whether this was a fictitious transaction.

The Chairman, Road Transport Corporation, pointed out that it was only a procedural matter and that there was no question of any loss involved because so long as the stores continued to be on the books of the unit they had to be accounted for.

The Accountant-General pointed out that this was a very extraordinary procedure because as soon as the stores were transferred from a unit it should be shown in the books of that unit to have been transferred to the Central Stores office and the Central Stores office books should show their receipt and disposal. But it seemed that this was not being done.

The Committee decided that this point should be examined by the Department and a report be placed before the Committee at the next series of meetings when accounts for the year 1960-61 are considered.

(5) The Committee deferred consideration of the remaining items to its meetings to be held in May, 1966.

VII. The Committee noted with regret that neither Secretary nor Joint Secretary of the Agriculture Department attended the meeting of the Committee for furnishing explanations in respect of items pertaining to that Department appearing in Appropriation as well as Commercial Accounts although the Committee waited for their appearance till the conclusion of the meeting. The officers concerned did not even inform the Committee that for any special reason it would not be possible for them to attend this meeting. The Committee decided to recommend to Government to take appropriate action against the officers for their failure to appear before the Committee and furnish the explanations asked for by the Committee.

VIII. The Committee then adjourned *sine-die*.

ZAIN NOORANI

CHAIRMAN,

*Standing Committee on Public Accounts.*

LAHORE :

*The 23rd April, 1966.*

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 16TH MAY, 1966 AT 10-00 A. M. IN  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING,  
LAHORE.**

**I. The following were present :—**

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|--|-----------------|
| (1) Mr. Zain Noorani, M.P.A.   | .. Chairman.    |
| (2) Chaudhri Muhammad Nawaz, M.P.A.  | .. Member.      |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.  | .. Member.      |
| (4) Rai Mansab Ali Khan Kharal, M.P.A.   | .. Member.      |
| (5) Syed Yusuf Ali Shah, M.P.A.  | .. Member.      |
| (6) Qazi Muhammad Azam, M.P.A.   | .. Member.      |
| (7) Mr. Asif Rahim, C.S.P., Additional Finance Secretary, Government of West Pakistan.   | Expert Adviser. |
| (8) Mr. N. A. Chaudhri, P. A. and A. S. Director, Audit and Accounts (Works).  | By invitation.  |
| (9) Sheikh Ahmed Hasan, P.S.E.I., Secretary, Irrigation and Power, Government of West Pakistan, along with Chief Engineers, Member (Finance), WAPDA and Deputy Chief Engineers, A. D. C. | Ditto.          |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan, acted as Secretary of the Committee.

**II. The Committee considered the explanations of the Irrigation and Power Department in respect of the following items appearing in the Appropriation Accounts for the year 1958-59 :—**

(1) *Page 23, paragraph 17 (a) (18) (1)—Shortage and surplus of Stores worth Rs. 2,61,040 and Rs. 2,71,441*—In this case there was a shortage of stores worth Rs. 2,61,040 and surplus of stores worth Rs. 2,71,441. The Department had appointed an Inquiry Committee headed by Superintending Engineer with two Executive Engineers as Members to verify the actual shortages and excesses. The Inquiry Committee expressed its inability to handle the work until and unless additional staff was given for this purpose.

The Committee was not satisfied with the way in which this matter was handled by the Irrigation and Power Department. The Committee was of the opinion that in view of the long time which has been allowed by the Department to lapse, it would be impossible to trace out the shortages satisfactorily. The Committee advised that the Department should approach the relevant authorities to get the shortages written off.

The Administrative Department could not state whether or not the Department had been purchasing the stores of the same kind which were lying surplus in their stores since long. The Committee advised the Department to restrict the purchase of such items until the stores found surplus were disposed of.

The action taken by the Department should be reported to the Committee when the accounts for the year 1960-61 are considered.

(2) *Page 23, paragraph 17 (a) (18) (2)—Shortage of stores worth Rs. 22,662*—In this case there was shortage of stores worth Rs. 22,662. The Administrative Secretary assured the Committee that barring Rs. 944 which was proposed to be written off, the balance would be recovered by the Department positively. On this assurance, the Committee dropped the para subject to the verification of the recovery by the Audit.

(3) *Page 26, paragraph 17 (a) 19 (6)—Misappropriation of Stores worth Rs. 1,385*—In this case 287 gallons of petrol worth Rs. 946 was issued from the Store for use in various trucks but the same was neither accounted for in the log books nor any consumption shown thereof elsewhere. Similarly 225 gallons of diesel oil and 44 gallons of petrol worth Rs. 439 was issued but its receipt was neither accounted for nor its consumption shown in the relevant books.

The explanation of the Department was that an inquiry officer had been appointed whose report was awaited. The Administrative Secretary assured the Committee that the inquiry would be completed within three months and in case it was not completed within three months action would be taken against the inquiry officer himself. The Committee decided that the result be reported to the Committee when it takes up the accounts for the year 1960-61.

(4) *Page 26, paragraph 17 (a) 19 (7)—Misappropriation of Stores worth Rs. 1,400.*

In this case Deodar Sleepers and Choldari worth Rs. 1,400 were reported to have been misappropriated. The Department stated that the shortage of Rs. 800 on account of sleepers had been established against an overseer from whom the amount was being recovered in 8 monthly instalments. As regards the choldari worth Rs. 600, it was stated that the record of this case was with the Anti-Corruption Department and necessary action would be taken as soon as the records were made available by the Anti-Corruption to the Irrigation and Power Department.

With this assurance by the Administrative Department and subject to the verification of the recovery by the Audit, the para was dropped.

(5) *Page 27, paragraph 17 (a) 20 (2)—Undue Financial aid to the Contractor*—This case was considered by the previous Committee in detail in its meeting held on 27th May 1965 when the Committee had dropped the para subject to the condition that in case the Audit was not satisfied with the action taken by the Administrative Department the matter might be brought before the Committee again. As the Audit was satisfied with the action taken by the Department the para was finally dropped.

(6) *Page 29, paragraph 17 (a) 22 (1)—Non-recovery of Demurrage Charges*—In this case demurrage charges amounting to Rs. 1,129 were paid to the Railway Department due to delay in not taking delivery of consignment. The Administrative Secretary assured the Committee that necessary recovery for the loss caused to Government would be made either from the Contractor or from the officer concerned and in case the recovery was made from the Contractor concerned, disciplinary action would be taken against the officer concerned.

Subject to verification of the recovery by the Audit and intimation to the Audit of the disciplinary action taken against the officer concerned, the para was dropped.

(7) *Page 29, paragraph 17 (a) 23—Short recovery from a private person*—In this case stores were sold to a private person at lower than the prevailing market rates resulting in the loss of Rs. 2,280. The Department had been unable to effect the full recovery from the officials concerned. It was stated that certain amount was due from Mr. Muhammad Hanif Bahuri, S. D. O. who was no longer in service and whose whereabouts could not be traced out. The Committee felt very unhappy over this statement made by the Department. The Committee was of the view that had the Department made an attempt to find the address of the S. D. O. from the Audit Office it would probably be succeeded. The Committee desired that the Department should pursue the matter further and make more concentrated efforts to trace out the officer and submit full explanation regarding this paragraph in the next series of the meetings of the Committee when the accounts for the 1960-61 are considered.

(8) *Page 30, paragraph 17 (a) 27—Loss of Foreign Exchange*—As the Department did not have all the relevant records of the case, the consideration of this item was

deferred to the next series of the meetings when the Committee considers the Accounts for the year 1960-61.

(9) *Page 30, paragraph 17 (a) 29—Infructuous expenditure*—This is a case of purchase, without proper planning resulting in infructuous expenditure of Rs. 63,97,415. The case was considered by the previous Standing Committee at its meetings held on 19th February 1965 and 27th May 1965 when the Committee had decided that the files of the case should be examined by the Director, Audit and Accounts (Works) after which the Irrigation and Power Department should place full facts before the Committee.

The Chief Engineer, Sakkur region, produced a copy of the indent which had been obtained from the Anti-Corruption Department. It transpired from the perusal of the indent that the Department had asked for three types of tractors Caterpillar, International and Vickers. It meant, therefore, that it was the Department itself who had introduced Vicker into the indent. What is to be seen is, how a type of tractor which had never been tried in this country and there were no performance reports about it available any where, was introduced into the indent by the Department.

The Director, Audit and Accounts pointed out that while all other files pertaining to this case had been made available to him the one file pertaining to the placing of the indent itself was not available. The Committee decided that the Department should trace out the file in which the office copy of the original indent was placed and produce it for the examination of the Committee when the Committee examines the accounts for the year 1960-61.

(10) At this stage the Committee came to the conclusion that in the cases of irregularities pointed out by the Audit investigations are initiated by the Administrative Departments after considerable delay with the result that by the time the investigation was completed the officer concerned retired, die or left the service. Committee was of the opinion that the Department should initiate necessary inquiries immediately on the receipt of the inspection reports from the Audit. The Director of Audit and Accounts offered to supply to the Department a list of cases which have been included in the Audit Reports concerning the accounts for the year 1962-63 and 1963-64 to enable the Department to start investigation. The Administrative Secretary assured the Committee that on receipt of the list from the Director of Audit and Accounts, the Department would start investigations immediately and try to dispose of as many cases as possible before they come up before the Standing Committee on Public Accounts.

(11) *Pages 38-40—Financial Review of the Lower Sind Barrage*—As the financial review of the Lower Sind Barrage for the period up to 1960-61 is included in the Appropriation Accounts for that year which is to be considered by the Committee some time in July, 1966 or shortly thereafter the Committee decided to defer the consideration of this matter till then. The Committee decided that in the next meeting representatives of all the Departments concerned including the Board of Revenue should be present when this matter is examined by the Committee.

The Committee deferred consideration of the remaining items to 17th May, 1966 and adjourned to meet again on 17th May, 1966 at 9-00 a. m.

LAHORE:  
The 16th May, 1966.

ZAIN NOORANI  
CHAIRMAN,  
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 17TH MAY 1966 AT 9-00 A.M. AND AT  
4-00 P. M. IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING,  
LAHORE**

**I. The following were present:—**

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|--|----|-----------------|
| 1. Mr. Zain Noorani, M.P.A.  | .. | Chairman.       |
| 2. Chaudhri Muhammad Nawaz, M.P.A.   | .. | Member.         |
| 3. Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. | Member.         |
| 4. Rai Mansab Ali Khan Kharal, M.P.A.  | .. | Member.         |
| 5. Syed Yusaf Ali Shah, M.P.A.   | .. | Member.         |
| 6. Qazi Muhammad Azam Abbasi, M.P.A.   | .. | Member.         |
| 7. Mr. A. H. Ghauri, Deputy Secretary to Government of West Pakistan, Finance Department (morning sitting).  |    | Expert Adviser. |
| 8. Mr. Asif Rahim, C.S.P., Additional Finance Secretary, (afternoon sitting).  |    | Ditto.          |
| 9. Mr. N.A. Chaudhri, P.A. and A.S., Director, Audit and Accounts (Works), West Pakistan.  |    | By invitation.  |
| 10. Sheikh Ahmed Hasan, P.S.E. I., Secretary to Government of West Pakistan, Irrigation and Power Department alongwith Member Finance, WAPDA and Chief Engineers (Irrigation) and A.D.C. |    | Ditto.          |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan, acted as Secretary of the Committee.

2. The Committee considered the explanations of the Irrigation and Power Department in respect of the following items appearing in the Appropriation Accounts for the year 1959-60.

(1) *Para. 5, Page 3, read with Page 94—Grant No. 12—Charges on Irrigation Establishment—*

	Rs.
Final grant .. .. .	5,69,92,210
Expenditure .. .. .	5,20,22,190
Saving .. .. .	49,70,020

(i) *Head "Incharge of Public Works Officers (Other than Guddu Barrage Project)."*

	Rs.
Excess of .. .. .	4,17,583

Under this head a sum of Rs. 22,62,800 out of the Original grant of Rs. 5,38,45,420 was surrendered and subsequently there was an excess expenditure of Rs. 4,17,583.

According to the Department the surrender was made due to non-availability of the necessary staff including technical personnel and early closure of certain divisions.

The Committee was further informed that surrender was also due to the reason that less staff was engaged in the Lower Jhelum Canal Division because less reclamation water supply was available. The Director Audit and Accounts (Works) pointed out that whereas there was a surrender of Rs. 22,62,800 due to non-availability of necessary staff, more amount had been spent on Travelling Allowance and Contingency of the remaining staff. If the staff worth Rs. 22,62,800 had also been

engaged, the expenditure on Travelling Allowance and Contingency would have been much more than what was provided for by the Department. The Committee inquired as to how the less reclamation water-supply could affect the engagement of staff when the Land Reclamation Department was permanent Department and the staff had got to be there irrespective of the water supply. The Committee directed that this information, the causes for the closing down of Tube-well Construction Division and the date on which it was closed down, and the detail of the posts which could not be filled in along with their pay scales and the efforts made by the Department to recruit such staff should be furnished to the Committee at the next meeting.

(ii) Head "Guddu Barrage Project"

Saving	Rs.
..	31,50,922.

Member (Finance) WAPDA stated that the actual expenditure was Rs. 33,27,316 which had been certified by the Comptroller, Southern Area, and as such, there was no saving. The Director, Audit and Accounts (Works) wanted time to get the position cleared from the Comptroller, Southern Area. The Committee directed that the result of verification should be placed before the Committee at the next meeting.

(2) Para 8, Page 5 read with Page 87—Grant No. 11—Irrigation Works (Authorised)—

	Rs.
Final grant .. .. .	6,02,42,400
Expenditure .. .. .	6,36,59,589
Excess .. .. .	34,17,169

(i) Head XVII—Irrigation, Navigation, Embankment and Drainage Works for which Capital Accounts are kept—

	Rs.
Saving .. .. .	44,43,350.

The explanations furnished by the Department in respect of savings on various works are found satisfactory except in the following four cases in respect of which the Committee asked the Department to furnish more details at the next meeting.

(1) Saving of Rs. 2,36,354 due to non-finalization of land compensation cases by the Revenue Department concerning Mahiwah Canal (Sukkur Region). According to the Audit, the work related to head "68—Capital" and as such could not be referred to while explaining saving under head "XVII".

(2) Excess of Rs. 8,68,000 on account of repair works of heavy breaches resulting from floods. According to the Audit this expenditure related to head "68—Capital".

(3) Excess of Rs. 14,74,990 on account of works in Muzaffargarh Canals, Taunsa Project, Abbasia, Bahawal Canal, East Sadiqia and Haveli under M. and R.

(4) Excess of Rs. 3,04,920 on account of adjustment of outstanding electric charges.

(ii) 18—Other Revenue Expenditure Financed from Ordinary Revenue—(A) Incharge of Public Works Officers.

	Rs.
Excess .. .. .	78,27,654

The explanation furnished by the Department was of a technical nature and the presence of the Finance Secretary or Additional Finance Secretary was considered necessary. The consideration of this item was, therefore, deferred to the next meeting.

## (3) Paragraph 8, Page 5 read with Page 106—Grant No. 13 Irrigation Capital—

	Rs.
Final grant .. .. .	18,34,21,100
Expenditure .. .. .	18,65,04,688
Excess .. .. .	30,83,588

## (i) 68—Construction of Irrigation, Navigation and Drainage Works—(Other than Guddu Barrage Project)—

	Rs.
Original grant .. .. .	13,43,71,200
Supplementary grant .. .. .	1,00,39,500
Total .. .. .	14,44,10,700

Surrender .. .. .	2,57,07,200
Final grant .. .. .	11,87,03,500
Expenditure .. .. .	14,79,09,039
Excess .. .. .	2,92,05,539

(i) Surrender Rs. 2,57,07,200—(a) A sum of Rs. 69,08,450 was surrendered due to the reason that there was slow progress on the excavation of Dera Ghazi Khan Canal and Construction of its masonry works (Taunsa Project) due to scarcity of cement, delay in finalizing all the drawings of works and dispute of the contractors for higher rates. The Committee directed that the Department should produce at the next meeting the stock Registers and other documents to show that there was scarcity of cement.

(b) A sum of Rs. 62,54,320 was surrendered due to the reason that anticipated debits, on account of repair of construction machinery, were not received from M. P. O., (WAPDA). The Committee observed that the Department before surrendering the amount should have enquired from the WAPDA as to why the debits in question were not raised. The Committee directed that this should be done now and result placed before the Committee at the next meeting.

(c) A sum of Rs. 1,25,44,430 was surrendered due to the reason that more clearance than expected of items lying in the Schedule of Miscellaneous Advances, was made. The Committee observed that clearance of items under this head could not effect the grant as a whole and directed that the Department should look into this again and place the correct picture before the Committee at the next meeting.

(ii) Excess Rs. 2,92,05,539—(a) According to the Administrative Department an excess of Rs. 22,66,601 was due to the reason that funds applied for Remodelling Marala Weir were disallowed by the Finance Department on the ground that the work being of replacement nature, its expenses should be met from the Replacement Fund but by the time the advice of the Finance Department reached the Administrative Department the expenditure in question had already been incurred. The Committee was further informed that the amount in question had been reimbursed by the WAPDA to the Provincial Government. The item was dropped subject to verification of reimbursement to the Province, by the Audit.

(b) An excess of Rs. 2,69,38,938 was due to the reason that un-responded items were placed in the Schedule of Miscellaneous P. W. Advances at the close of Financial year. The Committee directed that the Department should furnish the detail of adjustments at the next meeting.

## (B) Guddu Barrage—WAPDA—

	Rs.
Original grant .. .. .	3,90,10,400



Rs.

Re-appropriation .. .. .	2,57,07,200
Final grant .. .. .	8,47,17,600
Actual Expenditure .. .. .	3,85,95,588
Saving .. .. .	2,61,22,012

In this case the Department obtained additional funds to the extent of Rs. 2,57,07,200 and then saved an amount of Rs. 2,61,22,012. Member (Finance), WAPDA informed the Committee that the reason for the saving was that full amount allocated for the purpose was not released by the Finance Department. The Committee directed that Finance Department should furnish to the Committee at the next meeting the reasons for not releasing the full amount.

(4) *Pages 9—11, Para. No. 17 (a) 1—Expenditure on works in anticipation of technical sanction to estimates*—The Department explained that the number of such works had now been reduced from 4,331 to 136.

The Committee noted with great concern that the Department had developed a habit of incurring expenditure without obtaining the prior sanction despite the fact that the Standing Committee on Public Accounts had on many occasions pointed out to the Department to be more vigilant and avoid such expenditure. The Committee desired that the Department should regularise the remaining cases and take disciplinary action against all officers responsible for incurring expenditure in anticipation of sanction and to report the matter in the next series of meetings when the accounts for 1960-61 are considered.

(5) *Page 28, Para 17 (a) 22 (1)—Excess payment*—In this case the objection was that excess payment of Rs. 3,760 was made to a contractor by allowing hardness allowance upto 12 ft. depth against the estimated provision of 10 ft. depth. The Department explained that the payment had been made in accordance with the recommendations of "Farrant Report". The explanation was found to be satisfactory and the para. was dropped.

(6) *Page 29, paragraph 17 (a) 22 (2)*—According to Audit, overpayment of Rs. 3,286 was made by not deducting voids in between the stones stacked and measured while making payments of carriage, loading and dumping of stones on the basis of stock measurements. According to the Department there was no instruction at that time for making such deductions. The Department has now issued instructions in this behalf. The para. was dropped.

(7) *Page 29, paragraph 17 (a) 22 (3)—Overpayment*—Overpayment of Rs. 1,106 was made by not deducting the quantity of earth work paid as silt clearance for a portion of a minor canal from the quantity of earth work done for raising and strengthening banks in the same portion of that channel as the earth removed after silt clearance was naturally to be thrown on the banks of the same channel.

The Department explained that two separate estimates one for silt clearance and the other for bank raising were prepared on two different dates and were executed on different dates, therefore, there was no question of overpayment. The explanation was found satisfactory and the para. was dropped.

(8) *Page 29, paragraph 17 (a) 22 (4)*—In this case an overpayment of Rs. 1982 was made by changing the two rates of Rs. 4 and Rs. 5 per tree originally allowed by the Sub-Divisional Officer for cutting and removing trees during the year 1955 to Rs. 6 per tree in the office records after a period of three years by a Sub-Divisional Officer.

The Department explained that the amount of overpayment had been placed in the Schedule of Misc. P.W. Advances pending recovery and the Sub-Divisional Officer responsible for this payment had been charge-sheeted.



The Committee felt dissatisfied with the explanation furnished by the Department and directed the Department to furnish full details of trees which were cut down and their disposal. The item will be taken up by the Committee when the accounts for the year 1960-61 are considered.

(9) *Page 29, paragraph 17 (a) 22 (5)*—Excess payment of Rs. 928 was made to a Contractor due to wrong calculation of the quantities of work executed by him. As the recovery of Rs. 928 had since been made and verified by Audit, the para. was dropped.

(10) *Page 29, paragraph 17 (a) 23 (1)*—*Shortage of Stores*—Shortages of stock articles, worth Rs. 2,595 and of T. and P. articles worth Rs. 3,378 were found as a result of physical verification in February, 1958.

The Department explained that a sum of Rs. 2,165-50 had since been recovered and verified by Audit. The Department also assured the Committee that the balance except Rs. 478 would be recovered in regular instalments. Subject to verification by the Audit of the recovery, the item was dropped.

(11) *Page 30, paragraph 17 (a) 23 (2)*—In this case stores worth Rs. 2,825 were found short during April, 1958. The Department explained that some recovery had been made and steps are being taken to recover or write off the balance.

The Committee did not feel satisfied with the explanation furnished by the Department and directed that full details should be furnished to the Committee in the next series of meetings when the accounts for 1960-61 are considered.

(12) *Page 30, paragraph 17 (a) 23 (3)*—Material worth Rs. 6,837 was found short against various officials out of which an amount of Rs. 4,462 had been recovered up to October, 1961. The Department explained that recovery of the whole amount had been made except for an amount of Rs. 666-75 which is being recovered in monthly instalments. So far as the disciplinary action was concerned, the Department explained that recovery in itself was a major punishment. The Committee was of the view that mere recovery in the cases of shortages and other serious matters was not sufficient. The Committee desired that the Department should take much more severe action against persons responsible for such shortages. With these observations the para. was dropped.

(13) *Page 30, paragraph 17 (a) 23 (4)*—Stock worth Rs. 3,122 and T. & P. articles worth Rs. 576 were found short against various officials. The Department explained that steps were being taken to recover the amount in question and the articles of T. & P. had already been accounted for. As full details of the articles which were claimed to have been accounted for were not available, the Committee deferred the consideration of this item to the next series of meetings when the accounts for the year 1960-61 will be considered and asked the Department to furnish full details in that meeting.

(14) *Page 30, paragraph 17 (a) 23 (5)*—In this case shortage of store worth Rs. 40,218 was noticed against various officials at the time of physical verification of store.

The Department explained that an amount of Rs. 7,490 was included in para. 17 (a) (29) and as such it was decided to delete this amount here.

With regard to the remaining sum of Rs. 32,728 the Department explained that a sum of Rs. 3,426-68 had been recovered and verified and that efforts were being made to recover the balance (except Rs. 10,372-70 which might have to be written off).

Subject to verification by the Audit of the recoveries and the write off the item was dropped.

(15) *Page 30, paragraph 17 (a) 23 (6)*—In this case value of stores amounting to Rs. 3,447 and an irregular expenditure of Rs. 1,463 were outstanding against various officials since long.

The Department explained that the total amount of recovery was Rs. 4,910 out of which Rs. 3,040 had been recovered and would be got verified by Audit. Out of the remaining balance of Rs. 1,870 a sum of Rs. 1,277 was to be recovered from three over-seers who were no more in service and efforts were being made to recover the amount through the Deputy Commissioners concerned. Another sum of Rs. 533 was due from an Overseer who had been charge-sheeted and the Department hoped to make recovery in the near future. A sum of Rs. 58 was due from a Zaildar who had since died. The Department proposed to write off this amount.

The Committee felt that it was very doubtful whether these recoveries could be made through the Deputy Commissioners. The Committee was of the view that had the Department been more vigilant and taken up the matter of recoveries earlier it was quite possible that these three Overseers would not have gone out of service and the recoveries could have been effected.

Subject to these observations and verification of the recovery and write off by the Audit, the item was dropped.

(16) *Page 31, Paragraph 17 (a) 23 (7)*—In this case Tools and Plants worth Rs. 3,652 were found short. The Department explained that the recovery had been made and verified by Audit. The para. was dropped.

(17) *Page 31, Paragraph 17 (a) 23 (8)*—In this case articles worth Rs. 2,721 were found short. The Department explained that a sum of Rs. 2,280 had been recovered and a sum of Rs. 180 was proposed to be written off as these were recoverable from Hindu's who had since migrated to India. The Department assured the Committee that the balance of Rs. 251 would be recovered shortly.

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

(18) The Committee asked the Administrative Secretary the reasons for which a large number of officials were brought by him in the Committee Room. The Secretary informed the Committee that the staff was brought by the Chief Engineers alongwith them. The Committee observed that except in one or two cases the staff did not render any assistance to the Committee and in the opinion of the Committee so much staff was brought un-necessarily. The Committee thought it desirable to impress upon the department that the meetings of the Public Accounts Committee were not to be treated as a "picnic" or an opportunity for its subordinate officers and staff to visit Lahore. The Committee further desired that the Administrative Department should ensure that only those officials should be summoned whose presence was necessary in the Committee meetings.

#### AFTERNOON SITTING

(19) *Page 31, Paragraph 17 (a) 23 (9)*—*Shortage of Stores worth Rs. 1,916*—In this case articles worth Rs. 1,916 were found short against three Overseers. The Department explained that on verification the amount of Rs. 1,916 had been reduced to Rs. 361 as Rs. 1,555 had already been included in para. 17 (a) (19) of the Accounts for the year 1957-58. The Committee was further informed that the recovery of Rs. 361 was being made in regular monthly instalments.

The item was dropped subject to verification of recovery by Audit.

(20) *Page 31, Paragraph 17 (a) 23 (10)*—*Shortage of Stores*—In this case stores worth Rs. 56,978 were found short. The nature of stores found short was stated to be empty Gunny bags, Coir matting and Tarpalines. The Department explained that these were stored at the site of flood protection work on River Ravi near Shahdara and were subsequently used on protective Bund to save Jahangir's Tomb and that as all the records were missing it was not possible to take disciplinary action at this belated stage. Under the circumstances the explanation was found satisfactory and the para was dropped.

(21) *Page 31, Paragraph 17 (a) 23 (11)*—In this case one Overseer was transferred to another Division but he did not hand over charge before leaving the

Division. Subsequently shortage of stores worth Rs. 8,192 was noticed in the store. Out of Rs. 8,192 a sum of Rs. 5,354 had since been recovered by the Department and efforts were being made for the recovery of the balance.

It was found that no disciplinary action was taken against the Overseer who had since been promoted as Sub-Divisional Officer. The Committee once again noticed with great concern that the Department was not pursuing the cases of shortages seriously and the officials responsible for many shortages were being given normal promotions without any blemish to their record. The Committee was of the view that in such cases disciplinary action should be taken against the higher officials who fail to take proper action against the officials responsible for shortages and other irregularities. In the present case the Committee desired that action should be taken against the Officers who failed to take any action against the Overseer for not handing over charge and to report the result to the Committee at the next series of the meetings when the accounts for the year 1960-61 are considered.

(22) *Page 31, Paragraph 17 (a) 23 (12)*—In this case stock worth Rs. 3,131 was found short against certain officials. The Department informed the Committee that an inquiry into the matter had been conducted and necessary action on the report would be taken shortly. The Committee directed that full facts of the inquiry and relevant papers should be placed before the Committee in the next series of the meetings when the accounts for the year 1960-61 are considered.

(23) *Page 32, Paragraph 17 (a) 23 (13)*—In this case shortage of store was found against two Overseers at the time of their handing over charge. A sum of Rs. 1,194-94 had been recovered by the Department and verified by Audit. The balance of Rs. 89-87 was being recovered in monthly instalments. The explanation was found satisfactory and the para was dropped.

(24) *Page 32, Paragraph 17 (a) 23 (14)*—In this case stores worth Rs. 1,660 were found short during November, 1959. The recovery had since been made and verified by Audit. The para. was dropped.

(25) *Page 32, Paragraph 17 (a) 24 (1)—Mis-appropriation of Stores*—In this case, stock worth Rs. 1,14,683 was issued to a work but the work did not involve any item on which it could be consumed. The Department explained that it was only a clerical mistake; actually it related to the earth work. The position had been verified by Audit. The explanation was found satisfactory and the para. was dropped.

(26) *Page 32, Paragraph 17 (a) 24 (2)*—2276 lbs. of G. I. wire valuing Rs. 4,598 was apparently misappropriated by an Overseer by showing the same as issued to another Public Works Division (now under WAPDA) which neither placed any indent for the supply of this material nor acknowledged any receipt thereof. The Overseer concerned of the former Division prepared an indent of 2276 lbs. of G. I. wire for self and acknowledged the receipt of material himself. The Department explained that investigation had revealed that the material was not misappropriated and was transferred to Chiohoki Hydrel Division. The receipt of material in that Division had also been verified by Audit.

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

(27) *Page 33, Paragraph 17 (a) 24 (3)*—In this case certain articles of stores worth Rs. 452 and not Rs. 1,107 as pointed out by Audit, were found short. The amount had since been recovered and verified by Audit. The para. was dropped.

(28) *Page 33, Paragraph 17 (a) 25 (1)—Undue financial aid to the Contractor*—In this case M. S. Sheets were issued to a Contractor for use on works and the recovery was to be made at the rate of Rs. 882 per ton. Audit pointed out that the recovery from the Contractor had been made at Rs. 710 per ton which resulted in less recovery of Rs. 5,180. The Department explained that realization at the cost of Rs. 710 per ton instead of the departmental rate of Rs. 882 was done because the steel was

at that time a controlled item and the control rate for the same was Rs. 710 per ton and according to the Government notification charging amount in excess of controlled rate was prohibited. On 14th May, 1966, the WAPDA accorded sanction for writing off the difference.

The Committee observed that there was sufficient ground to believe that the Contractor was given undue financial aid in as much as the M. S. Sheets were supplied to him at rates lower than the issue rates. Audit pointed out that this was contrary to the provisions contained in rule 7-44 of the D. F. R. which reads as under;—

"The rate charged should be the market rate prevailing at the time of the supply or the issue rate, whichever may be greater, and should include the storage charges".

The Committee felt that irrespective of the fact that the amount had been written off, the officer concerned who was responsible for showing favourable treatment to the contractor, should have been asked to explain his position and necessary departmental action should have been taken against him. With these remarks the item was dropped.

(29) Page 33, Paragraph 17 (a) 25 (2)—In this case an advance payment amounting to Rs. 3,000 for work done but not measured was made to a contractor during March, 1960. According to the rules, detailed measurement of work done should have been carried out at the earliest opportunity not exceeding 3 months in any case after making the advance payment. The work had not been measured until April, 1961. The Department explained that the delay in recording measurements was due to non-availability of the contractor and this irregularity had since been condoned by Chief Engineer, Sukkur Zone, and the Sub-Divisional Officer had also been warned to be more careful in future.

The explanation was found satisfactory and the item was dropped.

(30) Page 34, Paragraph 17 (a) 25 (8)—In this case an advance payment of Rs. 1,840 (1,200+640) for work done but not measured were made to certain contractors during the year 1948-49 and 1953-54. According to rules, detailed measurement of the work done should have been carried out at the earliest opportunity and in any case not later than 3 months of making the advance payment. Neither the measurements of the work executed in 1948-49 and 1953-54 appear to have been taken so far, nor have the advance payments been adjusted even after lapse of 8 to 12 years.

The Department explained that the Sub-Divisional Officer on whose certificate advance payment of Rs. 1,200 was made to the contractor had since been retired from Government Service and no pension had been allowed to him due to insufficient service qualifying for pension, therefore a sum of Rs. 1,164 (1,200-36) was purposed to be written off.

Payment of Rs. 604 (640-36) was made to another contractor on the certificate of another Sub-Divisional Officer. The official concerned had been served with a show cause notice, the reply of which still awaited.

The para. was dropped subject to intimation of write off and recovery (if possible) and disciplinary action taken against the official, to the Audit.

(31) Page 34, Paragraph 17 (a) 26 (1) (i)—*Infructuous Expenditure*—In this case, certain equipments required in connection with gates and gearing were ordered on Government Workshop. On receipt of the machinery, an additional sum of Rs. 3,38,319 was spent on rectifying certain defects in manufacture and for providing a number of missing items in the equipment although the Government Workshop was supposed to supply the equipment free of any defect and complete in all respects. Thus the additional expenditure was a loss to the Department.

The Department explained that the fabrication of gates and gearing was entrusted to a Firm named M/S Brown and Roots. The Department according to their own convenience provided them with a Workshop site for fabrication at

Bhalwal. After the fabrication of the structure the material was carried to Taunsa Barrage at the Department's expenses. While carrying the heavy pieces of gates and superstructure it was experienced that these could not be carried in assembled condition and, therefore, had to be carried to site in pieces which the wagons could accommodate. Naturally when material is carried from one place to another, some damage is bound to be caused due to the processes of loading and unloading and transit.

The Committee decided that a joint inquiry by the Administrative Department, the Finance Department and the Audit should be conducted to bring more facts to light and the report of the inquiry should be placed before the Committee at the next series of meetings when the Accounts for the year 1960-61 are considered.

(32) *Page 34, Paragraph 17 (a) 26 (1) (ii)*—In this case, an estimate was sanctioned by the Government for "Obtaining 2 No's Bucyrus Evio Walking Oragline Excavator 160 ft. Boom". The estimate contained, *inter alia*, a provision of Rs. 95,763; for unloading, erection and trial of excavators, but the actual expenditure booked against this particular item was Rs. 12,46,043.

The Department explained that the estimate for "Obtaining 2 No's Bucyrus Evio Walking Oragline Excavator 160 ft. Boom" amounting to Rs. 31,91,894 contained a Sub-head for "Unloading erection and trail of Excavators Oragline" for which there was a provision of Rs. 95,763. The actual expenditure against this sub-head was only 98,464. The amount of Rs. 12,46,043 pertained to the estimate as a whole and not against this sub-head only.

The explanation of the Department was found satisfactory and the item was dropped.

(33) *Page 35, Paragraph 17 (a) 26 (2)*—In this case, Audit objected to the payment of Rs. 1,821 made to the contractor for dressing of earth work in connection with the filling in rain cuts and gharas as the work was to be done by the Departmental Labour.

The Department explained that there were abnormal rains in the year 1955 due to which these damages had occurred. The damages due to rains and storms were so wide-spread in the country that labour was not available in those days at the usual rates. Further that the quantity of earth work was so great that the work could not be completed in time without engaging a contractor.

The Department further explained that this irregularity had since been condoned under the orders of Superintending Engineer. The Audit advised that the irregularity could only be condoned under the orders of the Chief Engineer.

Subject to condonation of irregularity by the Chief Engineer, the para was dropped.

(34) *Page 35, Paragraph 17 (a) 28*—In this case Loss of Stock articles worth Rs. 7,336 was reported by Sub-Divisional Officer to his Divisional Officer, due to rains and Collapsing of godown in September, 1958. Estimate for the loss of Stock for the above amount was submitted to the Superintending Engineer who after the inspection of site approved the estimate for Rs. 1,650 and ordered recovery of the balance of Rs. 5,686 from the official concerned.

The Department explained that they had started recovery in monthly instalments from the official concerned.

The Committee dropped the para subject to verification of the recovery made and intimation of the result of the departmental action by the department to the Audit.

(35) *Page 35, Paragraph 17 (a) 29*—In this case stores worth Rs. 7,490 were reported to have been stolen in May, 1959. The case was reported to the police who declared the culprits untraced. The amount in question had since been written off.

The explanation was found satisfactory and the item was dropped.

(36) *Page 36, Paragraph 17(a) 30—Un-accounted for Stores*—In this case stores worth Rs. 1,197 were transferred from one Division to another, but were not taken on stock in the latter Division with the result that their whereabouts could not be ascertained. The Department explained that an entry for receipt of the material was recorded in the Measurement Book but the material was later on not taken over on account of high cost of the material and the entry referred to above was cancelled.

The explanation was found satisfactory and the para was dropped.

(37) *Page 36, Paragraph 17 (a) 31—Non-recovery of Government Revenues*—In this case an amount of Rs. 47,839 representing revenue accruing from the sale of fishing rights was outstanding against various lessees from 1957-58 to 1960-61. A sum of Rs. 10,129 had been recovered and verified by Audit. The balance amount of Rs. 37,710 was proposed to be written off.

The reason furnished for the writing off was that standing water in river pockets which were auctioned was essential for breeding fish which develops during abkalan and gives good results to the contractors. In this case however immediately after auction, the Guddu Barrage Administration, with the approval of the Indus River Commission, closed up two outlets which brought river water into the pockets which were auctioned. It was anticipated that the work of excavating the Feeder would be started then and letting in of water would not interfere with it. But the Marion Drag Line got ready late and could not cross Unher Canal in time. This closing of pockets at the initial stage gave a great set-back to fishing in the area. No breeding fish also could be utilised with the result that the contractors suffered loss to the proportion of 80 per cent due to allowing start of fishing late for 3 months and 5 days. The contractor thus applied for cancellation of the bid money on the plea that the bund sluices were closed by the Administration and therefore, early fish could not be had in the compartments. Owing to these reasons they did not sign the agreement pending decision on appeal, neither balance amount was recovered nor the contractors were allowed to fish. The Superintending Engineer, however on 5th November 1960, rejected the appeal of the contractors and remaining amount was ordered to be recovered from them. As stated above, there was no agreement signed by the contractors. The various efforts made by the concerned Executive Engineer and Sub-Divisional Officer could not bring any fruitful results in getting the balance amount recovered.

The explanation of the Department was found satisfactory and subject to writing off of Rs. 37,710 the para. was dropped.

(38) *Page 36, Paragraph 17 (a) 32—Extra expenditure to Government*—In this case, a contractor failed to complete a work during the stipulated period of completion even after the grant of extension of one month to him. The Department thus gave the remaining portion of work costing Rs. 71,613 to another contractor at a higher rate resulting in an extra expenditure of Rs. 3,580. The first contractor who was liable to forfeit his security deposit or to bear the additional expenditure of Rs. 3,580 incurred by the Government in getting the work completed through the second contractor under the terms of the agreement executed with him was however let off without any charge.

The Department explained that the work of constructing stone pitching along S. M. Bund at Hala old and Khandu let out to Mr. Makhdoom Nawaz contractor at 5 per cent above estimated rate was started on 17th January, 1956 and was required to be completed by 16th May, 1956. Pitching work to be done by the contractor was to follow earth-work required to be completed by departmental machines. Departmental machines started work very late and as such the contractor had to be allowed extensions upto 31st January, 1957, but he could not complete the work even upto that date.

In July, 1957 the remaining work was let out to another contractor Mr. Muhammad Nazim at 10 per cent above estimated rates and at the same time the first contractor was informed that the work was being let out at his risk and cost and that penalty under clause 2 of the contract was being kept alive.



In January, 1958 the first contractor Mr. Makhdoom Nawaz applied for finalization of his contract and payment of his security deposit and other dues. Divisional office record on this subject, however, indicated that as a result of some discussion between the then Executive Engineer, Hala Division (Mr. A. L. Barkzal) and the then Superintending Engineer, Rohri Canal Circle, the case was finalised and the Security deposit and other dues of the contractor were paid to him without imposing any penalty on him.

Contractor's claims were finally settled by Mr. G. Y. Sheikh without imposing any penalty on him. The Divisional office record indicated that the security deposit of the contractor was refunded as a result of some discussion between M/s G. Y. Sheikh the then Executive Engineer, Hala Division and G. B. Leghari, the then Superintending Engineer, Rohri Canal Circle. As such Mr. G. B. Leghari, the then Superintending Engineer, Rohri Canal Circle was asked to explain the circumstances under which the contractor was not penalized due to his failure to complete the work in time. Mr. Leghari held Mr. G. Y. Sheikh, the then Executive Engineer, Hala Division responsible for not penalizing the contractor.

Mr. G. Y. Sheikh retired from Government service with effect from 2nd October 1959 and as such, no action could be taken against him. The case of condonation of irregularity was under consideration of Government.

The responsibility also lay on the then Divisional Accountant of the Hala Division who failed to point out to the Divisional Officer that the contractor had not fulfilled the conditions of the contract and was, therefore, liable to be penalized on this account.

The Department informed the Committee that Rs. 1,694 had been recovered and there was a proposal to write off Rs. 1,886. The Divisional Accountant had been charge-sheeted by the Director Audit and Accounts (Works).

Subject to writing off Rs. 1,886 the item was dropped.

(39) *Page 36 Paragraph 17(a) 33—Irregular payment based on fictitious measurements*—In this case, a Sub-Divisional Officer recorded the measurements of silt clearance of a Canal distributory on 2nd February, 1959 in the measurement Book when it was flowing to its full capacity. The Executive Engineer, also certified the correctness of these measurements on the same date. Obviously it was not possible to measure or check measure the work when the distributory was full of water.

The Department explained that the gauge readings recorded in the gauge book were not correct and appear to have been filled in at some later date simply to fill in the blank without verifying the actual readings. Moreover the Sub-Divisional Officer monthly diary shows that the measurement was recorded on 3rd February, 1959 and not 2nd February, 1959.

The explanation was found satisfactory and item was dropped.

(40) *Page 36, Paragraph 17(a) 34*—In this case, Rs. 13,448/3/0 were debited to the suspense head Misc. P. W. Advances as recoverable from Government officials from the period ranging from March, 1950 to October, 1959.

A sum of Rs. 6,260 had since been recovered and verified by Audit.

The Committee directed that the balance of Rs. 7,188·19 should be recovered and disciplinary action taken against the official concerned be reported to the Committee in the next series of meetings when accounts for the year 1960-61 are considered.

III. The Committee adjourned to meet again on 18th May 1966 at 9-00 A.M.

LAHORE :  
The 26th May, 1966

} ZAIN NOORANI  
Chairman  
Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 18TH MAY, 1966 AT 9 00 A. M. IN  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.

I. The following were present :—

- |   |                     |
|---|---------------------|
| (1) Chaudhri Muhammad Nawaz, M. P. A.   | .. Acting Chairman. |
| (2) Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. Member.          |
| (3) Razi Mansab Ali Khan Kharal, -M.P.A.  | .. Member.          |
| (4) Syed Yusuf Ali Shah, M. P. A.   | .. Member.          |
| (5) Qazi Muhammad Azam Abbasi, M.P.A.   | .. Member.          |
| (6) Mr. Asif Rahim, C. S. P., Additional Secretary to<br>Government of West Pakistan, Finance Department  | .. Expert Adviser.  |
| (7) Mr. N. A. Chaudhri, P.A. and A.S., Director, Audit<br>and Accounts (Works), West Pakistan   | .. By Invitation.   |
| (8) Mr. Abdul Majid Mufti, C.S.P., Secretary to Govern-<br>ment of West Pakistan, Communications and<br>Works Department alongwith Chief Engineer | By Invitation.      |

Chaudhri Muhammad Iqbal, Secretary Provincial Assembly of West Pakistan acted as Secretary of the Committee.

II. In the absence of Mr. Zain Noorani the Committee chose Chaudhri Muhammad Nawaz as acting Chairman for the sitting.

III. The Committee then considered the explanations of the Communications and Works Department in respect of the following items appearing in the Appropriation Accounts for the year 1959-60.

1. *Page 22, Para. 17(a)7(3)—Excess payment of Rs. 3,390 to a Contractor*—In this case, a payment of Rs. 3,390 was made to a Contractor for dismentlement and subsequent reconstruction of a defective work. According to the agreement executed with the Contractor, he was responsible for the demolition and reconstruction of any defective work done by him at his own cost.

The Department explained that the dismentlement was necessary due to change in specification/Design made in the interest of work itself. The Finance Department have since accorded sanction for the dismentling. The explanation was considered satisfactory and the para. was dropped.

2. *Page 22, Para. 17(a)7(4)—Irregular Payments*—In this case, pay and allowances etc., amounting to Rs. 1,800 in respect of an officer were paid to him in December, 1958, out of the Divisional chest by charge to the suspense head "Miscellaneous P. W. Advances" as per order of the Additional Chief Engineer. The amount was subsequently recovered in May, 1959. The orders of the Additional Chief Engineer, and procedure of payment adopted were against the provision of rules on the subject as the pay and allowances of the officer could only be drawn from the treasury after due authority.

The Department explained that the irregularity had been condoned by the Finance Department.

The Para was dropped.

3. *Page 23, Para. 17(a)8(1)—Non-recovery of empty Cement Bags worth Rs. 99,060*—In this case, 49530 cement bags were supplied by the Department to various contractors but no account of empty cement bags were maintained nor was there any record to show that the empties had actually been returned by the contractor. The cost of empties amounting to Rs. 99,060 should have been recovered from the Contractors or the Government Officials at fault.



The Department explained that out of total No. of 49,530 cement bags 41,540 were paper bags and 7,990 were jute bags. The Department was taking action to recover their cost from the Contractor at suitable rates. The Department had traced about 40 contractors from whom the recovery was to be made and some of them were prepared at this stage to return the empty bags in the required number.

The Audit drew the attention of the Committee to the decision of the *Ad-hoc* Public Accounts Committee presided over by the Governor, on 5th December, 1961, that the return of the empty gunny bags at subsequent dates should not be accepted because the object was to ensure that cement was consumed on Government work and there was no possibility of pilferage of the cement. The *Ad-hoc* Committee had also directed to ensure that the officers should watch that the empty gunny bags were received back immediately after the cement was consumed and that return of the empty bags after sometime should not be accepted.

The Committee was inclined to accept the view of the Department that it would be almost impossible at this stage to find out all the Contractors, who were involved and to recover the price of the bags at the penal rate from them. The Committee recommended that under the special circumstances of the case, when such a long time had elapsed, the empty bags might be accepted from the contractors concerned. The Committee however desired that the Department should fix responsibility for the omission to receive back the cement bags at the time the cement was used on the officers concerned and take appropriate disciplinary action against them. The Committee decided that progress made by the Department should be reported to the Committee at its next series of the meetings when the accounts for the year 1960-61 are examined.

4. Page 23, Para 17(a)8(2)—*Non-return of Empty Cement Bags*—In this case, 5,796 cement bags were issued to the contractors but the empty bags were neither taken from them nor cost thereof at Rs. 2 per bag was recovered.

The Department explained that the empty cement bags had since been received back and verified by Audit.

The Para. was dropped.

5. Page 24, Para 17(a)10(1)—*Non-recovery of Demurrage Charges*—According to Audit, Rs. 3,698 representing wharfage and demurrage charges were paid to Railway authorities on account of the negligence of the Government officials in clearing the Railway siding and taking the delivery of the material in time. The amount which was recoverable from persons at fault was debited to the work.

The Department explained that Rs. 1,743.18 had been recovered and verified by Audit, and that the remaining amount was in process of recovery. The Department further stated that the officials concerned were only guilty of negligence and as such no further action against them was necessary.

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

6. Page 25, Para. 17(a)10(2)—*Non-recovery of Demurrage Charges*—In this case, Rs. 2,519 representing wharfage and demurrage charges were paid to the Railway Authorities on account of delay in clearing the Railway siding and taking the delivery of the materials in time.

As full facts of the matter were not placed before the Committee, it was decided that after a thorough inquiry the item should come up again before the Committee when the accounts for the year 1960-61 are examined.

7. Page 25, Para. 17(a)11(1)—*Delay in recovery of rent*—In this case recoveries on account of rent of Government Buildings were not regularly made from the occupants with the result that arrears amounting to Rs. 31,278 accumulated upto the end of October 1957. The Department explained that the reason for accumulation of rent was that while the allotment of residences was made by officers of the other Departments, the recovery of rent was made by the Communications and Works Department.

The Department further explained that efforts were being made to recover the amount from the officials concerned.

The Committee was of the view that the system of recovery of rent from Government servants needed review so that some fool-proof method was adopted by which the rent did not fall in arrears.

Subject to these observations and the recovery of the arrears and its verification by Audit, the para. was dropped.

8. *Page 25, Para. 17(a)11(2)—Delay in recovery of rent*—Same observations as in the case of Para. 17(a)11(1) above.

9. *Page 26, Para. 17(a)12—Loss of stores*—In this case 941.95 tons of cement valuing Rs. 97,834 was caked up during the year 1955 for want of proper storage arrangement to guard against rains. Subsequently the un-serviceable cement was put to auction in April, 1957 and different bids aggregating to Rs. 34,305 were received according to the condition of cement but were not accepted by the Superintending Engineer being too low. Thereafter the auction of cement was advertised many a time but no one came forward to bid with the result that Government had to suffer a total loss of Rs. 97,834 which would have been reduced to Rs. 63,529 if the bids received at the time of auction had been accepted in the first instance.

The Department explained that an inquiry officer was deputed to enquire into the matter who reported that out of 941.95 tons of cement a quantity of 320 tons were further used on various works. The inquiry officer had concluded that the loss was not due to negligence or fraud on the part of any Government official and therefore the Department proposed to write off the loss. As the Audit made certain observations on the report of the inquiry officer, the Department appointed another inquiry officer to look into the matter. His report was awaited. The committee decided to defer the consideration of this item to its next series of meetings when the accounts for the year 1960-61 are considered.

10. *Page 26, Para. 17(a)13—Loss of Revenue*—In this case 414 quarters out of 1,000 constructed for Government servants at Lahore remained vacant for long periods resulting in non-receipt of rent amounting to Rs. 1,17,936 for the period from 1st January, 1957 to 30th April, 1957. In addition to this loss of revenue Government had to incur further expenditure in the form of separation allowance which was being paid to the staff who had not been provided with residential accommodation. No explanation for non-occupation of the quarters was furnished to Audit by the Department.

The Communications and Works Department explained that this para. pertained to the Estate Officer who was under the control of the Services and General Administration Department. The Director of Audit and Accounts (Works) pointed out that he had issued a number of reminder to the Services and General Administration Department for furnishing explanation for this loss of revenue but no reply was forthcoming.

The Committee noted with regret that no officers of Services and General Administration Department was present to furnish explanation regarding this item and deferred it to the next series of the meetings of the Committee when the accounts for 1960-61 are considered.

The Committee directed that the S.&G. A. D. should be asked to furnish the necessary working papers and depute the officer concerned to appear before the Committee when the item is considered by the Committee.

11. *Page 26, Para. 17(a)14—Outstanding dues against subordinates due to shortage of stores worth Rs. 49,737*—In this case, Bajri, Bricks and Steam Coal worth Rs. 49,737 were found short against certain subordinates in 2/58. Out of this amount a sum of Rs. 40,137 was debited to the suspense head "Misc. P. W."

Advances"; but no action was taken towards the recovery or the write off of the amount in question. The balance of Rs. 9,600 representing the cost of steam coal had not been even placed under the suspense head and no action was taken towards the recovery or write off.

The Department explained that the amount in question was included in Audit objection in para No. 9 under Grant No. 29 at page 173 of the Appropriation Accounts for the year 1957-58, the para was dropped.

12. *Page 26, Para. 17(a)15—Theft of stores*—In this case, there had been a loss of five Motor tyres worth Rs. 5,000 due to theft. The case was filed by the Police as untraceable.

The Department explained that the report of the theft was made to the police immediately after the incident. The Committee came to the conclusion that the overseer concerned was not responsible for the loss. The Committee suggested that the Department should take steps to write off the loss.

Subject to write off the para. was dropped.

13. *Page 27, Para. 17(a)17—Un-economic purchase of stores*—In this case, 31,585 Cft. Rubble stones were purchased un-economically by the Department for use on Government works at higher rates in March, 1955 with the result that out of this quantity 21, 355 Cft., of the material remained un-utilised mainly because the contractors used their own material which was cheaper. The remaining un-used stores valuing Rs. 4,271 were auctioned in October, 1958 which fetched a price of Rs. 2,640 only resulting in a loss of Rs. 1,631 to the Government.

As the loss had since been written off under the orders of the Chief Engineer, the para. was dropped.

14. *Page 27, Para 17(a)18—Short recovery due to defective agreement*—In this case, issue of stores to a contractor was provided to be made in accordance with the terms of agreement with him at rates lower than the stock issue rates. This defective agreement resulted in short recovery of Rs. 1,293 as the recovery of the cost of material from the contractor was made at the lower rates.

The Department explained that the material was to be supplied by the Department in accordance with the Notice inviting Tender and the Agreement that the sum of Rs. 1,292.50 was not a loss to Government as the rates of premium for this work were tendered by the contractor keeping in view the rates at which the material was to be supplied to him, as exhibited in the N. I. T. Had the rates of material been higher than already announced, the Contractor would have certainly enhanced the rate of the premium in his tenders.

The explanation was found satisfactory and the para was dropped.

15. *Page 27, Para. 17(a)19—Splitting up of work to avoid execution of Agreement and works orders*—In this case payment for the works amounting to Rs. 1,689, Rs. 1,730 and Rs. 57,310 were made after splitting up the same to avoid calling for the quotations, issue of work orders and execution of agreements respectively.

The Department explained that Nedous Hotel was to be converted for official residence of officers of West Pakistan Government as a result of establishment of one unit. The officers had to be provided accommodation immediately and as such the work "Special repairs to Nedous Hotel Lahore," was put under the charge of several Sub-Divisional Officers who were specially posted to expedite the work which necessitated the splitting up of work orders.

The explanation was found satisfactory and the item was dropped.

16. *Page 27, Para. 17(a)20—Extra payment of Rs. 20,887 to a contractor*—In this case tenders were invited for the execution of a work. A single tender was received for the first time in February 58 and two were received on 8th March, 1958 but these were rejected. Tenders were re-invited for the third time and only one contractor who had previously tendered at lower rates of 175% and 165% above the schedule

of rates for different items tendered at higher rates of 185% and 165% for the same items in March 58. His tender was finally accepted which resulted in extra expenditure of Rs. 20,887 by way of payment to the Contractor. Apparently wide publicity was not given which eliminated competition with the result that the same contractor tendered higher rates resulting in extra payment.

The Department explained that tenders were invited by the Executive Engineer on 12th February, 1958 after giving wide publicity through press. Only one tender from Ch. Nisar-ul-Haq contractor was received with a premium of 185% above on R. C. C./P. C. C. wood work, brick work and 165% above on all other items. The contractor did not deposit earnest money and the tender was, therefore, rejected by the Executive Engineer being against the provision of N. I. T. and codal rules. Tenders were re-invited by the Executive Engineer on 8th March 1958 after giving wide publicity through press. The following two contractors offered their rates.

(1) *Ch. Nisar-ul-Haq Contractor*—175% for R. C. C./P. C. C. wood work and tile work.

162% above on all other items.

(2) *Mirza Jan Muhammad Contractor*—173% for R. C. C./P. C. C. flooring and wood work.

162% for all other items.

Earnest money was deposited by Ch. Nisar-ul-Haq Contractor but the other contractor did not do so. The rates offered by Ch. Nisar-ul-Haq Contractor although were lowest but the tender put forth the following conditions :—

(1) All kind of steel/wood will be charged direct to the work.

(2) Local sand will be used for all items of work without effecting schedule.

(3) Carriage above three miles will be charged at premium for all items of work.

Since the tender was conditional being against the provision of N. I. T and para. 6-26 of B. & R. Manual or orders, these were also rejected. Fresh tenders were invited for third time on 20th March 1958 and only one tender was received from Ch. Nisar-ul-Haq Contractor at the following premium :—

(1) 185% above for R. C. C./P. C. C. flooring and wood work.

(2) 165% above on all other items.

In view of the urgency of the work and rising tendency of labour and material rates, the tender of the contractor being reasonable was accepted by the Additional Chief Engineer. From the above position it is evident that there was nothing wrong with respect to the procedure in calling and dealing with the tenders. In fact, re-invitation of the tenders was done in good faith in order to have workable premium in accordance with the provision made in the approved N. I. T. Wide publicity was also given at the first two times and Rs. 799/37 were paid on account of advertisement charges. Since the response was only from the local contractors, third time it was not considered necessary to give it again in the press in order to avoid un-necessary expenditure. Third time the tenders were called locally and the same contractor came up even third time and the work was therefore, allotted in his favour.

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

17. Page 28, Para 17(a)21—Additional payment amounting to Rs. 9,092—

In this case, payment of Rs. 9,092 was made to a Contractor for removal of rust from steel used in R. C. C. works. As the removal of and clearance of rust from steel was the contractor's responsibility and was included in the rate for R. C. C. work, the additional payment on this account was not justified.

The Department explained that steps were being taken to recover the amount from the contractor and the explanation of official responsible for the payment had been called for.

As the case of recovery and disciplinary action was in progress, the committee decided that the matter should come up again when accounts for the year 1960-61 are examined.

(18) *Pages 53-54 paragraph VI—Expenditure on Deposit Works in excess of the Deposits received by the P. W. D.*—Under rules, no deposit work should be started unless necessary funds for the execution of the work are realised and paid into Government treasury either in lumpsum or in such instalments and by such dates as the Government may decide in each case.

Also no expenditure should be incurred in excess of the Deposits received. In disregard of the above rule considerable expenditure was incurred on Deposit Works either in anticipation of the funds being received or in excess of the deposits received. This resulted in unauthorised expenditure on Deposit works to the end of 1960-61 as shown below :—

	<i>Now of works</i>	<i>Amount</i>
		<i>Rs.</i>
Buildings and Roads Department	191	52,45,941

The Department explained that out of 191 works amounting to Rs. 52,45,941 only 42 works valuing Rs. 6,24,075 remained to be cleared for which efforts were being made.

The Committee was of the view that the progress of recovery was satisfactory. However, the Committee observed that when revised estimates for deposit works were framed, the Department or the Local Body on whose behalf the work was to be carried out should have been asked to make further deposits and the whole procedure in this respect should be reviewed by the Department.

Subject to further recovery by the Department and verification of recovery by the Audit the para. was dropped except as regards the works relating to Tando Muhammad Khan Municipality.

The Committee noted that in the case of Tando Muhammad Khan Municipality Board (Hyderabad Region) the work had been executed by the Ind Ghulam Muhammad Barrage Division which was under the Administrative control of the Agricultural Development Corporation for which no explanation was furnished to the Committee. The Committee desired that the A. D. C. should be asked to furnish the necessary information in this respect when the accounts for the year 1960-61 are examined by the Committee.

(19) *Pages 54 and 55 paragraph 17 (a) VII (i) a—Delay in disposal of inspection reports and Audit Notes (Civil Offices)*—The Committee was informed that all Audit Notes and inspection reports had been returned to the Audit Office concerned. The Administrative Secretary assured the Committee that the Department would issue a directive to all the officers concerned to take prompt action on the disposal of Inspection Reports and Audit Notes and no delay should take place in future. On

this assurance the para. was dropped. (This item was considered by the Committee at the meeting held on 19th April, 1966).

(20) *Pages 58 and 59, paragraph 17(a) VII (ii)—Delay in disposal of inspection reports and Audit Notes. (Public Works Offices)*—The Audit pointed out that there were 435 Audit Notes and inspection reports outstanding which had not been disposed of inspite of repeated reminders.

The Department explained that out of 435 only 13 Audit Notes and inspection reports were outstanding and strenuous efforts were being made to clear the balance. The Department further informed the Committee that disciplinary action against the Officer responsible for the delay was being taken. The Committee decided that the disciplinary action taken against the Officer should be reported to the Committee in the next series of the meeting when the accounts for the year 1960-61 are examined.

(21) *Pages 60-62, paragraph 17 (a) VIII (a)—Delay in preparation of Accounts, returns and documents—*

(b) *Unresponded items under the head "Transfer between P. W. Officers"—*

(c) *Nonparation of capital and Revenue Accounts*—The items were dropped.

(22) *Page 5 paragraph 9 read with page 162—Grant No. 29-Civil Works, Head 50-Civil Works, (Authorised).*

Rs.

Original Grant	..	..	..	4,47,04,200
Supplementary Grant	..	..	..	10
Re-appropriation	..	..	..	31,07,690
Final Grant	...	..	..	4,15,96,520
Expenditure	..	..	..	4,25,17,715
Excess	..	..	..	9,21,195

The Department furnished the following explanation for the excess expenditure under various sub heads :—

(1) *Repair Buildings—Western Region : Rs. 56,309.* The grant was not according to the demand. The additional demand of Rs. 1 lac was put in through the 2nd List of E. & S. submitted to the Chief Engineer, West Pakistan, Buildings and Roads Department, Lahore, but was not met with in full. Some essential expenditures were incurred to keep the buildings inhabitable condition, hence there was excess over the sanctioned grant.

(2) *Construction of Jhelum-P. D. Khan Road—Central Region, Lahore.—* Rs. 1,11,052. The excess was due to payment of Land Compensation paid through Land and Control Officer to the Land owners.

(3) *Repair Buildings—Central Region Lahore Rs. 1,54,834—* During the year 1959-60 against the demand of Rs. 84,28,900 in the Budget Estimate only a sum of Rs. 38,20,132 was allotted by Government for the maintenance of buildings throughout the Region, which was about 45 per cent of the actual demand. The short allocation received after integration had limited the maintenance operations and it was not possible to carry out ordinary maintenance to all the buildings with this meagre amount what to speak of executing special repairs necessitated due to frequent floods and heavy rains. In the 2nd List of Excesses and Surrenders for 1959-60, the barest minimum demand for unavoidable items to the extent of Rs. 53,23,630 was made. Since the condition of these buildings was

being deteriorated for want of proper repair due to paucity of funds, the subordinate offices had to incur excess expenditure to save these buildings from total destruction in the hope that the additional funds demanded through the list of Excess and Surrender for 1959-60 would be provided. The low Government however fixed final estimates at Rs. 40,27,278 which was quite on the low side and could not cover even the actual expenditure already incurred on essential work of repairs resulting in an excess of Rs. 1,53,834 which is insignificant keeping in view demand made in this Budget Estimates and 2nd List of Excesses and Surrenders for 1959-60.

(4) *Repairs Communications—Central Region.*—Rs. 6,00,000. In the Budget Estimates for 1959-60 a sum of Rs. 87,82,900 was demanded for the maintenance/Improvement of roads throughout this Region. Against this only Rs. 42,14,354 were allotted and the percentage of allotment works out to less than 50 per cent. This allotment was obviously quite inadequate to carry out proper maintenance of all the roads which had already been deteriorated due to receipt of short allocation after integration.

In order to enable this Region to carry out proper repair and improvements to the badly damaged roads a sum of Rs. 1,19,97,330 was demanded through the 2nd List of Excesses and Surrenders for 1959-60 against which only Rs. 48,53,419 were received and there was thus no improvement in the percentage of allotment. On the extremely essential items of Maintenance, Special Repair, and Improvement to keep the roads in motorable condition an excess amount of Rs. 6,00,000 was incurred which was about 12.75 per cent of the final grant. This excess had been incurred to save the Government from huge loss in case of total destruction of these roads as well as to avoid accidents by keeping the roads in proper working condition.

The Committee observed that even in the case of repairs of buildings and repairs of Roads it should have been possible for the Department to manage with the amount left with them even after the surrender of Rs. 31,07,690 had been made by leaving out certain avoidable works and carrying out unavoidable repairs, etc. The Committee directed the Department to examine the statements of excesses and surrenders submitted by the regions and give necessary directions that where a surrender had been made, the expenditure should be kept within the balance of the grant and if in certain cases further expenditure had to be incurred, it should be done by leaving out certain avoidable items.

Subject to these observations, the committee recommended the regularization of the Excess Expenditure.

(23) *Page 164, paragraph 4—“Suspense”*—(i) *“Stock”* Audit informed that there was a heavy balance of Rs. 8,22,84,752 in the suspense under head ‘Stock’ which should be reduced to a reasonable limit. The Department explained that the balances under this head had since been reduced from Rs. 9,53,95,061 to Rs. 8,22,84,752.

The Committee observed that it was more important that the Department concerned should see that the Stocks were kept only to the extent of the absolute needs of the Department and capital was not unnecessarily blocked up in Stocks. The Department should also make sure that the Stocks held by them are serviceable and that un-serviceable stocks are disposed of to release the capital tied up in them.

(ii) *“Purchases”*—According to the Audit there was an amount of Rs. 9,86,79,837 in suspense under the head ‘Purchases’. According to the Department balance was of Rs. 5,98,66,507 only.

The Committee observed that a sizeable amount had been cleared but the Departmental figures should be reconciled with Audit.



(iii) "*Miscellaneous P. W. Advances*"—Audit informed that Rs. 22,18,19,812 was outstanding under this head which represents shortages and losses pending recovery from the Government officials.

The department explained that this was a recurring head and old items were being cleared and new items were coming in which resulted in a dead lock in respect of clearance of suspense.

The Committee observed that the amount of suspense under the head 'Miscellaneous P. W. Advances' was alarmingly large i. e. Rs. 22,18,19,812. The Committee suggested that the Department and Audit should get together, devise ways and means for keeping the suspense under this head at the minimum level, and the Department should place the result of the joint deliberations before the Committee when the accounts for the year 1960-61 are examined.

(24) Page 167, paragraph 8 under Grant No. 29-Civil Works—"Stores Accounts of the Buildings and Roads Department"—Audit informed that the sanctioned reserved limit of stock was Rs. 3,40,15,500 whereas the closing balance on 30th June, 1960 was Rs. 8,22,84,752.

The Department explained that at that time the powers for raising the reserve stock limits were with Finance Department and later on in 1962 these powers were delegated to the Chief Engineers. The Chief Engineers were advised to raise the reserve stock limits and regularise the matter.

The explanation was found satisfactory and subject to intimation of regularisation to Audit, the para was dropped.

(25) Page 167, paragraph 9 (i) under Grant No. 29-Civil Works—"Un-authorised Aid to Contractors"—In this case, material worth Rs. 2,573 was issued to a contractor for use on a road work during December, 1959. The cost of material has not been recovered from him upto June, 1961, although a period of two and a half years has elapsed. Abnormal delay in the adjustment or recovery of the amount has resulted in undue financial aid to the contractor.

The Department explained that the material was issued during October, 1959 and not in December, 1959. The recovery, therefore was effected in November, 1959. The cost of material was however, incorrectly debited in the ledger account against the name of another contractor in December 1959. The position was got verified by Audit on 17th February 1966. Since there had been no delay in effecting the actual recovery, the question of taking disciplinary action against any official did not arise.

As the necessary recovery had been made and verified by Audit, the para was dropped.

(26) Page 168, paragraph 9 (ii)—Same decision as in case of 9 (i) above.

(27) Page 168, paragraph 10(i) under Grant No. 29 Civil Works—"Theft of Stores"—In this case, theft of 1600 empty gunny bags valuing Rs. 2,698 took place from the Departmental Godown in November, 1955. The case was registered with the police for investigation and it was filled as untraceable but suspicion was laid on some employees of the Department. A Departmental enquiry was held in April, 1957 but final orders have not been passed even after the lapse of more than 4 years. The loss has not been accounted for by debit to Miscellaneous P. W. Advances to watch recovery or write off. In the absence of the findings of the Departmental enquiry it can not be stated whether the theft took place due to negligence of an individual or defect in the rules.

The Department explained that as a result of enquiry, it was found that no one was responsible for the theft of empty gunny bags. Therefore, case was referred to Government for according sanction to write off of loss in question. The amount had since been written off. The Department further informed that the report of the enquiry officer had been supplied to the Audit. Director, (Works) informed the Committee that the enquiry report had not yet been examined.



The Committee decided that Audit should examine the report and if necessary, bring the matter again before the Committee when the accounts for 1960-61 are examined. In case the Audit was satisfied that no disciplinary action was called for the matter might be considered as dropped.

(28) Page 168, paragraph 10 (ii) under Grant No. 29-Civil Works—*Theft of Stores*—In this case, four sluice valves 6" Dia and six G. I. Tee worth Rs. 906 were stolen during the night between 27th and 28th February, 1958. The case was registered with the Police who filed it as untraceable. The Chowkidar on duty was held responsible. A sum of Rs. 120 at the rate of Rs. 20 per month was however realised from the Chowkidar. Thereafter the Chowkidar also left the service and no further recovery could be effected.

The Department explained that pending receipt of Police investigation report, the recovery of the amount was imposed upon Mr. Ghulam Muhammad Chowkidar concerned. A sum of Rs. 120 had been recovered but the Police in his report declared the Chowkidar as innocent. A case for writing off the amount had been prepared and submitted to the Finance Department.

The Committee observed that as it was apparently a case of negligence on the part of the Chowkidar, the Department should get the loss written off by the Finance Department. Subject to writing off the loss the para was dropped.

(29) Page 168, paragraph 11, under grant No. 29-Civil Works—*"Fictitious adjustment of stock"*—In this case, fictitious adjustment of Rs. 23,630 was made in the monthly Account of March, 1955 on account of value of 67 tons 12 Cwt attospra issued from the Divisional Stock. The amount was subsequently written back from the Account of work to stock during December, 1955. The transaction was carried out without the physical movement of stores from and to the Public Works Department Godown to avoid lapse of funds towards the close of the year.

The Department explained that the material i. e. attospra was issued for the construction of a road in the water logged area and used by bullock cart traffic for which the design of premix tarmacadam was suggested. In this type of road construction quite a large quantity of attospra was to be used and as such the same was indented. The attospra was drawn and was being carted when the design was changed by the higher authorities. The transportation of the material was therefore suspended and the extra quantity of it issued for premixing was taken back on stock. As such there was nothing fictitious about it.

The explanation was found satisfactory and the paragraph was dropped.

(30) Page 168, paragraph 12, Under Grant No. 29-Civil Works—*"Shortage of Stores"*—In this case, a Sub-Division was transferred and amalgamated with another Division on 28th February, 1957. A shortage of store amounting to Rs. 25,205 was noticed and pointed out by the successor Division after 2 months of transfer of the Sub-Division. A detailed report of the shortage was submitted by the Executive Engineer in March, 1960. In this report the Executive Engineer had recommended to the Superintending Engineer that the amount of the shortage should be recovered from the Sub-Divisional Officer and Overseers who remained incharge of the Stores up to 28th February, 1957. During the period upto the date on which the shortage was noticed, no physical verification of stores was done either by the Sub-Divisional Officer or the Overseers at the prescribed interval of one year and 6 months respectively. According to the Audit the shortage was facilitated due to non-observance of rules.

The Department explained that Mr. A. R. Baloch, Executive Engineer, was appointed as an Enquiry Officer in the matter who had given his findings.

The findings were examined in the Regional office and some further observations were made thereon. As soon as replies thereto were received further action would be taken.

The Committee directed the Department to intimate the result of the enquiry to the Committee in the next series of meetings when accounts for 1960-61 are examined.

(31) *Page 169, paragraph 13, Under Grant No. 29-Civil Works—Defalcation of Rs. 24,500*—In this case, a Sub-Divisional Officer drew seven cheques amounting to Rs. 24,500 for payment to temporary labour and handed these cheques to the Barkandaz for encashment at one time. The Barkandaz reported that while returning from the treasury he had been looted on the way to office and had been deprived of the money. However the amount was recovered from the Barkandaz subsequently. The case was also tried by the court of Law which sentenced the Barkandaz to a rigorous imprisonment for six years. The action of the Sub-Divisional Officer to entrust the encashment of 7 cheques aggregating to Rs. 24,500 to the Barkandaz was irregular and against the provisions of rules.

The Department explained that the Sub-Divisional Officer had been awarded with a recorded warning.

The explanation was found satisfactory and the para was dropped.

(32) *Page 170, Grant No. 30—Charges on Public Works Department Buildings and Roads establishment (authorised)*—

	Rs.
Final Grant .. .. .	1,70,11,500
Actual expenditure .. .. .	1,67,31,541
Saving .. .. .	2,79,959

The Department explained that the overall saving of Rs. 2,79,959 was about 1.65 per cent and required no explanation,—*vide* paragraph 15.4 (c) of Punjab Budget Manual (Fifth Edition).

The para was dropped.

(33) *Page 180, paragraph 5 (i), Under Grant No. 31-Civil Works Capital—'Excess payment'*—In this case, material worth Rs. 4,154 was issued to a Contractor during March, 1958 as recoverable from him. Instead of debiting the same to the Contractors ledger account, it was debited direct to the work with the result that the amount remained unrecovered till March, 1960, when this was detected in March, 1960, steps were taken to recover the amount from the Contractor. It was found that only an amount of Rs. 2,576 was standing at his credit which after adjustment still left a balance of Rs. 1,578 as recoverable from him.

The Department informed that the recovery of Rs. 1,576 had since been made and verified by Audit. The official concerned had been warned to be careful in future.

The explanation was found satisfactory and the para was dropped.

(34) *Page 180, paragraph 5 (ii) Under Grant No. 31-Civil Works Capital—'Excess payment'*—According to the Audit Department an overpayment amounting to Rs. 33,651 was detected. Payment was made for extra items of work shown below, although these items of work were included in the rates of main work in accordance with the schedule of rates attached to the Agreement.

	Rs.
(1) Labour charges for cutting, bending and binding of M. S. Bar. .. .. .	25,106
(2) Carriage charges of cement, steel and Bajri .. .. .	8,303
(3) Screening of Bajri .. .. .	242
Total .. .. .	33,651

After protracted correspondence only a sum of Rs. 25,106 was recovered from the security deposit of the Contractor in August, 1958.

The Department explained that as per terms of the agreement cement was to be supplied to the contractor Ex. P. W. D. Store. No recovery was, therefore, due from the contractor for the expenses incurred on this account and consequently no disciplinary action was required.

The explanation of the Department was found satisfactory, the para was dropped.

(35) *Page 180, paragraph 6, Under Grant No. 31—"Shortage of Stores"*—In this case stock material worth Rs. 1,52,350 (Rs. 1,30,995+Rs. 21,355) was found short against various public works officials in March, 1956 and June, 1959. No report of the shortage was made to Audit as required under the rule.

The Department explained that the shortage of stores was the result of physical verification conducted at two various period for the alleged shortage of Rs. 1,30,995 pertaining to the period prior to 1949-50, an inquiry Committee was appointed and his report was furnished to the Audit. As per physical verification there was a surplus material worth Rs. 2,18,411.31 which had been credited to revenue while the shortage value at Rs. 1,30,995 was debited to Misc. P. W. Advances. The Department further informed that the store officer while conducting the physical check mentioned articles of identical description as short and surplus. The total value of Excesses as pointed out by him was Rs. 2,18,411.31 and the value of shortages was Rs. 1,30,995 from this it appeared that it was a case of surplus and not that of shortage. This shortage was the result of clerical error and he allowed to adjust against those surpluses.

For the remaining amount of Rs. 21,355 also the enquiry report was sent to Audit. The findings of the enquiry officer in this case were that :—

1. Stores worth Rs. 17,286.81 was short due to unavoidable breakages, leakages, evaporations, etc.
2. Stores worth Rs. 3,076 was adjustable against the surplus of the same items.
3. Cost of stores worth Rs. 1,051.44 only was recoverable from 5 Store-keepers.

The explanation of the Department was found satisfactory. Subject to recovery of Rs. 1,051.44 and its verification by the Audit the para was dropped.

(36) *Page 181, paragraph 9, Under Grant No. 31-Civil Works Capital—Non-recovery of cost of stores sold on credit*—In this case, Stores worth Rs. 12,529 were alleged to have been sold on credit to an Executive Engineer in the year 1952-53 and 1953-54. The sale was made without obtaining proper acknowledgements from the purchaser in token of his having received the material. It was pointed out by Audit in 1955 and the Department was asked to recover the amount from the Officer concerned. The officer, however, refused to pay the amount on the plea that he did not receive the material alleged to have been sold to him. As the Department failed to produce the necessary acknowledgements for the material the liability against the officer could not be proved. However, out of the total recoverable amount of Rs. 12,529 the officer had deposited a sum of Rs. 4,154 in April, 1961, which he had accepted of his own accord but he was not prepared to pay the balance.

The Department explained that some material was sold on credit to Mr. S. M. Haq, the then Executive Engineer, during the year 1952-53. The material was issued to the officer after obtaining acknowledgements. Action for recovery of the amount was taken by requesting the Accountant-General, West Pakistan, Lahore that the same should be effected from the pay of the officer. The Officer, however, did not accept the correctness of the account of sale on credit to him and filed a civil suit against the Department in the Court of Senior Civil Judge, Hyderabad. The suit was dismissed, but the Department thought that the officer might go in appeal. The Department assured the Committee that necessary recovery would be made from

the officer as soon as the period of limitation for filing appeal expires or if the appeal is filed, after the disposal of the appeal.

The Committee decided that this item should come up before the Committee when the accounts for 1960-61 are considered.

(37) Page 181, paragraph 10, Under Grant No. 31-Civil Works-Capital- "Fictitious stock adjustment"—In this case, certain material worth Rs. 9,477 was shown as issued to a work at the close of the financial year in the account for March, 1958. Its cost was subsequently written back from that work during February, 1959 and it was stated that material was actually received back in June, 1958 as it could not be consumed on the work but the adjustment could not be carried out in June, 1958 due to oversight. Actually however, the material was never carted from store to work and back and no carriage charges had been incurred on this account. According to the Audit the paper transaction was carried out merely to utilize the budget grant which would otherwise have lapsed.

The Department explained that warning had been issued to the Executive Engineer and the Sub-Divisional Officer concerned. The explanation was found satisfactory and the para was dropped.

(38) Page 213, paragraph 1(i)—Loss of Government cash, amounting to Rs. 10,000—In this case, a cheque for Rs. 10,000 was drawn by a Sub-Divisional Officer. The cheque was encashed by the Sub-Divisional Clerk on 24th November, 1951, but when he returned on the same day and opened the bag in the presence of Sub-Divisional Officer the money was found missing. The case was reported to the police for investigation.

The Department explained that out of total amount of Rs. 10,000 a sum of Rs. 9,000 had already been written off by the Government. The remaining amount of Rs. 1,000 had been recovered from the official concerned from his pay.

As the recovery of Rs. 1,000 had been made and the balance of Rs. 9,000 had been written off, the Committee decided to drop the para subject to verification of recovery by the Audit.

(39) Page 213, paragraph 1(ii)—Loss of stores amounting to Rs. 22,489.

(40) (Page 213, paragraph 2 (i)—Undue financial aid to contractor (Rs. 1,05,228 and Rs. 1, 14,484).

(41) Page 213, paragraph 2 (ii)—Undue financial aid to contractor (Rs. 1,06,354).

(42) Page 214, paragraph 3—Non-recovery of advance payment (Rs. 4,860)—These items have been converted into draft paragraphs and included in the Appropriation Accounts of the subsequent years, these items were therefore dropped.

(43) Page 214, paragraph 4—Pilferage of material (Rs. 1,013 and Rs. 1,996)—In this case, material worth Rs. 1,013 and Rs. 1,996 was Pilfered as the soling stone purchased was not accounted for.

The Department explained that Mr. Saeed Ahmad, Overseer concerned who did not take the material (soling stone) on Road Material Register was asked to prepare the same in order to get the account verified from Audit as per directive of the D.A.C. of 13th September 1963 but he did not care to comply where upon he was called to explain. Mr. Iftikhar-ud-Din, Executive Engineer Provincial Division, Rawalpindi had since been appointed by the Superintending Engineer, Provincial Circle, Rawalpindi as an Enquiry Officer in this case. The proceedings had started, and the Enquiry Officer had been asked to complete the proceedings and submit his findings. The final report is expected shortly.

The Committee deferred the consideration of this item to the next series of meeting when the Accounts for the year 1960-61 are considered.

IV. After the conclusion of the consideration of the items relating to the Communications and Works Department letter No: 16 (6) SOA-IV/65 pt. II, dated 17th May, 1966, from the Secretary to Government of West Pakistan, Agriculture Department, expressing his inability to attend the meeting of the Committee on 19th and 20th May, 1966 and requesting for consideration of all items relating to Agriculture Department in the meetings to be held on 21st May, 1966 was placed before the Committee. The Committee noted with regret that although the Secretary, Agriculture, had been informed as early as fourth May, 1966, about the meetings of the Public Accounts Committee for examination of explanations furnished by his Department in respect of the Appropriation Accounts, still he had not been able to find time to attend the meetings. In view of the fact that the Agriculture Department's explanations were the principal business to be considered by the Committee at its meetings on the 19th and 20th May, 1966, and it was not possible to consider all items on the 21st May, 1966, the Committee decided to cancel the meetings fixed for 19th to 21st May, 1966 and adjourned sine-die.

LAHORE:

MUHAMMAD NAWAZ

The 28th May, 1966.

} Acting Chairman, Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 24TH OCTOBER 1966 AT 10.0 A.M. IN  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**I. The following were present:—**

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|--|-----------------|
| (1) Mr. Zain Noorani, M. P. A.   | .. Chairman.    |
| (2) Chaudhri Muhammad Nawaz, M.P.A.  | .. Member.      |
| (3) Rai Mansab Ali Khan, M.P.A.  | .. Member.      |
| (4) Chaudhri Muhammad Sarwar, M.P.A.   | .. Member.      |
| (5) Qazi Muhammad Azam Abbasi, M.P.A.  | .. Member.      |
| (6) Khan Malang Khan, M.P.A.   | .. Member.      |
| (7) Mr. Asif Rahim, C.S.P.; Additional Secretary to Government of West Pakistan, Finance Department.   | Expert adviser. |
| (8) Mr. N. A. Chaudhri, P. A. & A. S. Director, Audit and Accounts, (Works) West Pakistan.   | By Invitation   |
| (9) Mr. Muhammad Hamad, C.S.P., Deputy Secretary, Services and General Administration Department, alongwith Mr. G. M. D. Ghor, Estate Officer. | Do.<br><br>Do.  |
| (10) Mr. Niaz Ahmad, C.S.P., Secretary to Government of West Pakistan, Communications and Works Department alongwith Chief Engineers.          |                 |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary of the Committee.

**II. The Committee considered the explanations of the Department in respect of the following items appearing in the Appropriation Accounts of the Government of West Pakistan.**

**COMMUNICATIONS AND WORKS DEPARTMENT, SERVICES AND GENERAL  
ADMINISTRATION DEPARTMENT.**

**1959-60.—**

*Page 26, paragraph 17 (a) 13—Loss of Revenue—*In the last meeting of the Committee held on 18th May, 1966 the Communications and Works Department had informed the Committee that this paragraph pertained to the Estate Officer who was under the control of the Services and General Administration Department.

In their explanation before the Committee, the Services and General Administration Department stated that the draft paragraph seemed to have been based on an incorrect statement prepared by a Sub-Divisional Officer of the P. W. D. It was stated on behalf of the Department that no quarter under the control of Services and General Administration Department remained vacant for long periods. According to the Department even the details of the quarters alongwith the periods of their vacation due to which the loss of revenue was attributed were not intimated to them by the Audit. The detailed explanation of the Department had not been examined by the Audit for want of record regarding the allotment and occupation of quarters. The Deputy Secretary, Services and General Administration Department and the Estate Officer who were present in the meeting were asked by the Committee to produce the relevant records to the Audit who were required to examine the records and submit their audit comments to the Committee on 25th October, 1966.

*1957-58 Page 26, Paragraph 17(a) 17 (3)—Non-recovery of Government dues amounting to Rs. 31,729-00—*This item was considered by the Committee at its meeting

held on 19th April, 1966, when the Committee was informed that the total amount remaining to be recovered as worked out by the Department amounted to Rs. 64,337. (Rs. 56,000 recoverable from Mr. M. A. Khuhro and Rs. 8,337 from Mr. Pir Ali Muhammad Rashdi.) The Committee was further informed that a case had been instituted against Mr. M. A. Khuhro for recovery. Details regarding the dues from Mr. Rashdi were not available hence the item was deferred and the department was asked by the Committee to submit the details of the amount due and to inform the Committee at the next meeting the outcome of the case against Mr. Khuhro.

The Committee noted with regrets that even now the Department has not furnished the Committee with the true and full details of the amount due from the ex-Ministers. The Committee, therefore, once again wished to impress upon the department the necessity and importance of supplying the Committee with the full and accurate explanations as otherwise it becomes almost impossible for the Committee to do full justice to the work entrusted to it.

The method adopted by the Department to give incomplete information to the Committee and then to add and elaborate on it during the oral examination must stop and all the relevant information must be included in the written explanations sent by the Department.

Even at this stage the explanation from the Department was not correct in as much as it mentioned only two ex-Ministers namely Mr. Khuhro and Mr. Rashdi, whereas it appears that some amount was due from Kazi Fazlullah also.

The amount relates to the rent of house furniture and other services rendered to these persons who continued to occupy government residential houses even after they had ceased to be Ministers.

Substantial recoveries had been made from Kazi Fazlullah and now only a small amount remains to be recovered. However it is a pity that even at this stage the figure of the amount due from Kazi Fazlullah according to the Department (Rs. 178) is difference to what the Audit records show (Rs. 450).

As regards recoveries from Mr. Khuhro, it appears that the case before the Karachi Bench of the West Pakistan High Court for recovery of Rs. 56,000 was amicably settled in the Court by consent of both the parties for Rs. 27,445.

On examining the records the Committee found that the matter had not been referred to the Finance Department before the Department agreed to this amount nor was the amount arrived at by the two parties on the basis of any clear formula, and as a result of arbitration. The very fact that after having prepared its bills for Rs. 56,000 and pressing for its recoveries even to the extent of going to the Court shows that the Department cannot have any reasonable excuse for the un-necessary and unexplained haste in arriving at a compromise without even referring it to the Finance Department.

This leads the Committee to another observation. Both Kazi Fazlullah and Mr. M. A. Khuhro were sent bills for occupying these houses at more or less the same time. Obviously both the bills must have been prepared on the same bases and same rates. While one pays up the money and hence has to pay at the original rates calculated by the Department the other refuses to pay till he is taken to Court and there the Department readily agrees to accept Rs. 27,445 which comes to slightly less than half of the original amount.

As regards Rs. 8,337 due from Pir Ali Muhammad Rashdi, the Committee was informed that Mr. Rashdi claimed that this amount was to be recovered from the Central Government.

The Committee decided to drop this para after making the following observations:—

- (1) The Department should have the balance due from Kazi Fazlullah verified by Audit, and recover the same



- (2) As regards the money due from Mr. M. A. Khuro, although the Committee feels that before the Department agree to the compromise it should have consulted the Finance Department, in view of their having agreed to this amount in Court resulting in consent judgement nothing can be done now and the balance of Rs. 28,555 should be written off and the department should take necessary steps in this direction.
- (3) As regards the amount of Rs. 8,337 due from Mr. Rashdi, the Department should pursue this matter with vigour and recover the amount either from Mr. Rashdi or from the Central Government. 1958-59—

1. Page 12, Paragraph 17 (a) 3(1)—*Shortage of Stores*—In this case physical verification of stock revealed a shortage of building material worth Rs.31,507·75 in the year 1956-57.

The Committee in its meeting held on 19th April, 1966 directed to hold a joint enquiry to ascertain the value of the shortage. As a result of joint enquiry the amount of shortage has been enhanced to Rs. 56,703·71.

The Committee observed that no action had been taken to make good the loss and to fix the responsibility although the Joint Enquiry Committee has since finalized its report and there was sufficient time for the Department to do so. The Chief Engineer promised to finalize the case within six weeks. The Committee decided that this item should come up before it again when the Committee considers the Appropriation Accounts for the year 1960-61.

2. Page 12, Paragraph 17 (a) 3 (5)—*Shortage of Material worth Rs. 70,258—* In this case, stock material worth Rs. 70,258 were found short against an Assistant Engineer at the time of his handing over charge of the sub-division. The item was last considered by the Committee at its meeting held on 19th April 1966 when full facts were not forthcoming.

The Department explained that as a result of verification the amount of shortage had been reduced from Rs. 70,258·44 to Rs. 69,916·18. Out of the verified shortage of Rs. 69,916·18 responsibility for the shortage of Rs. 36,503 had been fixed against an Assistant Engineer Mr. P. A. Wadhvani whose G. P. Fund, Gratuity and the amount of pension had been withheld till he made good the loss.

For the remaining shortage of Rs. 33,413·18, the following three Overseers had been charge-sheeted to clarify their position:—

- (1) Mr. Muhammad Iqbal Arain.
- (2) Mr. Abdul Rashid Arain.
- (3) Mr. Muhammad Sami Qureshi.

The replies of these officials had been received and were under the scrutiny of the Superintending Engineer, Building Circle, Hyderabad.

The Committee observed that although responsibility for the shortage of Rs. 36,503 out of total of Rs. 69,916·18 has since been fixed against Mr. P. A. Wadhvani who retired in April, 1959, no concrete steps have been taken to make good the loss. The Department gave an undertaking that they would recover the amount from Mr. Wadhvani under Recovery of Government Dues Ordinance.

The Committee decided that this item should come up before the Committee again along with the Appropriation Accounts for the year 1960-61.

(3) Page 12—paragraph 17 (a) 3 (6)—*Shortage of Stores*—In this case, shortages of stores aggregating to Rs. 63,507·14 was discovered as a result of physical verification during August 1958 to November 1958. Losses on account of



shortages of Stores were under the rules, required to be recovered from the officials, whose negligence facilitated the loss otherwise the shortages were to be written off as irrecoverable under the orders of the Government. The item was last considered by the Committee at its meeting held on 19th April 1966.

The Department explained that in compliance with the direction of the Public Accounts Committee a thorough enquiry had been conducted by Mr. A. H. Sheikh, Superintending Engineer, P. C., Sukkur, whose finding was as below:—

Rs.

- |   |              |  |
|---|--------------|--|
| (1) Cement  | .. 47,390-00 | The cement was set under circumstances beyond the control of the Department and the previous Standing Committee on Public Accounts in its meeting held on 17th February 1965 accepted the explanation of the Department and directed that this loss may be got written off. The write off is under finalization with Government/Chief Engineer, Hyderabad. |
| (2) Lime, lia-Baskets Mixtures ins Bottles distilled water.               | 762-00       | It was a natural wastage in 28 months due to evaporation, leakage and wear and tear of consumable articles. Audit may approve for the write off of this amount.  |
| (3) H. D. S. oil, Mobil oil Hadrolic oil, Kerosine oil and R. C. C. Pipe. | 1,750-50     | The loss was due to misposting and piece meal issue during 28 months. Audit may approve the write off this amount.   |
| (4) H. D. S. oil, Mobil oil Hadrolic oil, Kerosine oil and R. C. C. Pipe. | 5,000-00     | The articles were issued in March 1955 but the issue was not incorporated in the accounts as the Sub-Divisional Stock Accounts for this month was lost. Efforts is continued to trace out the account and adjust it.   |
| (5) Miscellaneous Articles  | 4,941-37     | The shortage has been fixed against store-keeper, Zaheer Hyder from whom the recovery at the rate of Rs. 46-00 per mensem is in progress since March, 1962. The full amount will be recovered before his retirement.   |
| (6) Miscellaneous Articles  | 3,858-37     | This amount has been included by Audit in the total shortage by adopting the cost of the articles at higher rate. Audit may exclude this amount from the total shortage.   |

The Audit pointed out that—

- (i) The Department had reported 6770 cement bags amounting to Rs. 47,390 as set, whereas the record of the Division showed that these bags were actually short detected at the time of physical verification during August, 1958 to November, 1958.
- (ii) Stores amounting to Rs. 11,176-50 had been supposed by the Department as used on Government works whereas the records were silent in this respect.

The Committee had to observe that the state of affairs had been very unsatisfactory and if as stated by the Department, the record had been lost, which was surely some body's responsibility and the Department should have taken action against the officer who was responsible for the loss of the record. The Committee recommended that every effort should be made to trace out the record and if none was available, suitable action be taken against the officer/officers who were responsible for the loss. The Committee further recommended that the Department should give full details and get the shortage reconciled with the Audit. The item should come up before the Committee again along with the Accounts for the years 1960-61.

(4) *Page 13, paragraph 17 (a) 3 (12)—Mis-appropriation of Stores worth Rs. 9,56,125*—In this case, Stock Accounts of a section were not prepared and submitted by an overseer during the period of his incumbency from August 1953 to January 1954. He was transferred to another station in January 1954. He did not hand over the charge of Store to his successor nor his successor prepared any inventory of the ground balance at the time of taking over. Subsequently the shortage of stores assessed against the overseer was Rs. 9,56,125 pending physical verification.

The matter was last considered by the Committee at its meeting held on 19th April, 1966. In that meeting, the Committee was informed that the inquiries till then made did not make any progress. The Committee felt that it was a fit case for a joint inquiry to be conducted by the Department and the Audit together, so that the amount involved was reconciled and the responsibility was fixed.

The Committee was now informed that the joint inquiry had not yet been conducted. The Committee had no alternative but to defer the item to be considered along with the Accounts for the year 1960-61. The Committee however desired that the inquiry should be completed and action should also be taken against the supervisory officers who are found responsible at the earliest.

The Committee found that the system of keeping stores and issuing them appeared to be faulty and not satisfactory. The Committee recommended that the Department should consider the matter so that the system is streamlined and reduces to a minimum the chances of misappropriation.

(5) *Page 233, Annexure No—2 Loss of Rs. 2,29,100 due to excess supply of slack coal*—In this case excess quantity of slack coal was issued to the contractor than the agreed quantity of 25 tons per lac of burnt bricks, which resulted in a loss to the tune of Rs. 2,29,100.

This matter was last considered by the Committee at its meeting held on 19th April, 1966. In that meeting the Audit claimed that the amount of the loss to Government was to the extent of Rs. 14,65,987 whereas the Department accepted the figure of Rs. 7,49,947. The item was deferred for reconciliation.

The Department now explained that the figures have not been reconciled by this time.

The Committee observed that no progress has been made in this case and stressed upon the Department again to reconcile the figure at an early date and to fix responsibility for the loss on the official concerned.

The Committee decided that the progress made should be reported to the Committee when it considers the Accounts for the year 1960-61.

(6) *Pages 232—236 paragraph 3 (V) of Annexure*—In this case 14 tons 13 cwt. and 26 lbs. of iron was found short worth Rs. 12,987.

As the suit filed by the Assistant Engineer who was held responsible for the shortage had not been decided by the court, the Committee deferred the consideration of this item to the next meeting of the Committee when it considers the Accounts for the year 1960-61.

(7) *Pages 232—236, Paragraph 5 (ii) of Annexure*—In this case, 240 tons Steel was used instead of the stipulated quantity of 380 tons as per estimate. The contract was lumpsum one. This reduced consumption showed material deviation from the estimate. Hence the contractor should have been paid less for 140 tons steel at Rs. 1,000 per ton plus 17 per cent premium which works out to Rs. 1,63,800.

This matter was last considered by the Committee at its meeting held on 19th April, 1966, wherein it was decided that the Department should hold a joint enquiry with which the Director, Audit and Accounts (Works) should be associated.

The Department explained that the joint inquiry had not been conducted by this time, however it impressed the committee that it was now being claimed that the material (140 tons) had actually been used in the foundation.

The Director Audit and Accounts (Works) explained to the Committee that the inquiry to be conducted being of a technical nature since it would have to be ascertain whether the steel had really been used in the foundation or not as is now being claimed by the Department, his association would not be of much use in completing this enquiry.

The Committee on further consideration came to the conclusion that the findings of the first joint inquiry held on 5th May, 1966, by the Superintending Engineer, Hyderabad, Provincial Circle and the Deputy Director, Audit and Accounts (Works) should be accepted. The Secretary, Communications and Works Department agreed with it and promised to take action in accordance with the report of the joint inquiry Committee, fix responsibility for the excess payment of Rs. 1,22,234 and the irregular debit of Rs. 17,732 and to take further steps for the recovery of the amount.

The Committee decided that the progress made should be reported to the Committee when it considers the Accounts for the years 1966-61.

(8) *Pages 233, paragraph 5 (iii) Over-payment of Rs. 8,000*—In this case, over payment of Rs. 8,000 was made to the contractor as secured advance.

The matter was last considered by the Committee at its meeting held on 19th April, 1966, when the Department explained that as a result of joint inquiry the amount of over payment had risen to Rs. 65,000 out of which civil suits were pending for Rs. 45,039 and responsibility in respect of Rs. 28,398 had been fixed on departmental officers.

The Committee was now informed that the cases had not so far been decided and the disciplinary action against the officials had not yet been finalized. The Secretary, Communications and Works Department assured the Committee that he would ensure that the cases regarding disciplinary action were finalized expeditiously. On this assurance, the para was dropped subject to verification of action taken, by the Audit Department.

(9) *Pages 232—236, paragraph 10 (ii) of Annexure*—In this case Railway freight amounting to Rs. 18,139 on slack coal was paid on behalf of a contractor. The item was last considered by the committee at its meeting held on 19th April 1966, when the committee was informed that the Department was taking necessary steps to recover the amount from the Sub-Divisional Officer as the contractor was not traceable. The Department now explained that the Sub-Divisional Officer had been served with a charge-sheet and his explanation the charge-sheet was received and was under scrutiny. The Secretary, Communications and Works Department assured the committee that the Department would finalize the case without any more delay and take steps for the recovery of the amount. On this assurance the para was dropped subject to verification of recovery of the amount by the Audit.

III. The Committee then adjourned to meet again on 25th October, 1966, at 10.00 a. m.

LAHORE :  
The 24th October, 1966

ZAIN NOORANI  
CHAIRMAN,  
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 25TH OCTOBER 1966 AT 10-00 A. M.  
IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**I. The following were present :—**

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|--|----------------|-----------------|
| (1) Mr. Zain Noorani, M.P.A.   | ..             | Chairman.       |
| (2) Chaudhri Muhammad Nawaz, M.P.A.  | ..             | Member.         |
| (3) Rai Mansab Ali Kharal, M.P.A.  | ..             | Member.         |
| (4) Qazi Muhammad Azam Abbasi, M. P. A.  | ..             | Member.         |
| (5) Khan Malang Khan, M.P.A.   | ..             | Member.         |
| (6) Mr. Asif Rahim, C.S.P., Additional Secretary to Government of West Pakistan, Finance Department.                                 |                | Expert Adviser. |
| (7) Mr. N. A. Chaudhri, P. A. & A. S. Director, Audit and Accounts (Works), West Pakistan.   | By invitation. |                 |
| (8) Mr. Niaz Ahmed, C.S.P., Secretary to Government of West Pakistan, Communications and Works Department alongwith Chief Engineers. |                | Ditto.          |
| (9) Mr. G. M. D. Gheri, Estate Officer, Services and General Administration Department.  |                | Ditto.          |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary of the Committee.

**COMMUNICATIONS AND WORKS DEPARTMENT**

**II.** The Committee resumed consideration of the explanations of the Communications and Works Department in respect of the following item appearing in the Appropriation Accounts :—

*Appropriation Accounts for 1958-59, Page 236, paragraph No. 13—Recovery of Rs. 1,15,124—In this case recoveries on account of Stores issued to Contractors had not been made and heavy balances were outstanding against contractors in their ledger Accounts.*

The matter was last discussed by the Committee at its meeting held on 19th/20th April 1966. In that meeting the Department contended that a sum of Rs. 61,527 had already been recovered or adjusted. This figure had not been verified by the Audit. The Committee directed the Department to reconcile the figures of recoveries and adjustments made by the Department with Audit.

According to the verification of the Audit Department only Rs. 41,035.50 had been recovered leaving a balance of Rs. 74,088.50. The Department still contended that they had recovered Rs. 61,527 and a sum of Rs. 53,597 only remained to be recovered from :—

	Rs.
(1) Rais Abdur Rehman Contractor	42,237
(2) Messers. Progressive Engineers	11,359

The case of Abdur Rehman was stated to be sub-judice and the decision of the Court was still awaited. As regards the recovery from Messers Progressive Engineers, the Department's contention was that the proposal for recovering the amount as arrears of Land Revenue was referred to Law Department but the Law Department did not agree to the proposal. In order to fix responsibility of the departmental officers in this case, it was stated that the Superintending Engineer

had been appointed as Enquiry Officer but the inquiry could not so far been completed as most of the officers involved were working in other regions.

The Committee examined the records on files and came to the conclusion that this was an evident case of utter confusion, gross ignorance and lack of co-ordination. The matter was first raised about 9 years back. The records produced before the Committee did not substantiate the claim of the Chief Engineer as stated in his letter dated 20th November, 1964 to Secretary, Communications and Works Department that strenuous efforts were made to recover the amount from Messrs. Progressive Engineers. On the contrary, it appeared from the records that while Progressive Engineers were required to pay this substantial amount to Rahimyar Khan Provincial Division, they continued to work for the Lahore Division. The veracity of this contention was never settled as to whether Progressive Engineers continued to be on the list of contractors of the Department or not, and till today no one knows whether this is correct or not and no efforts have been made if it is correct to black list them. There can be no greater instance of confusion and lack of co-ordination.

Till 12th February, 1965, no efforts whatsoever were made to fix the responsibility on any officer or officers concerned for the lapses. In 1954, the Chief Engineer, without efforts first having been made to effect recoveries by resorting to the normal and necessary arbitration or filing a suit in a Court of Law, wrote to the Secretary, Communications and Works Department at Lahore, to have this amount recovered as arrears of Land Revenue. The Communications and Works Department rightly refused to do so without first exploring the normal method of arbitration or by filing the case in a Civil Court for recovery.

The most tragic part of it is that though this matter which relates to the former Bahawalpur State has been pending for over 9 years and had been before the Committee for a number of years, no one from the Department is in a position to state whether the original agreement with the contractor contained the arbitration clause or not. This showed the tendency to treat lightly recoveries of Government dues. Can there be a greater instance of ignorance and lethargy.

The Committee took a very serious view of the fact that wrong and misleading statement was given by the Department. It was stated that this matter was referred to the Law Department which did not agree to the proposal of recovery as arrears of land-revenue. The records, however, showed that the matter was never referred to the Law Department. The Committee had to observe that it was not for the Committee to pass any comments as to the reasons as to why an attempt was made to involve the name of the Law Department, but the Committee was satisfied from the examination of the papers on records as well as oral evidence placed before it, that some one somewhere was obviously trying to aid the contractor in procuring as much time as possible in payment of Government dues, as it is evident that the only purpose served by making a half-hearted attempt to make this amount recovered as Government Dues under Land-Revenue without first exploring the normal and necessary methods of arbitration or referring the matter to Civil Court, could be to gain time for the contractor while the file and the relevant papers moved leisurely from one Department to another.

The Committee decided that report of the Enquiry Officer as well as subsequent steps taken to fix the responsibility and to effect early recovery be reported back to the Committee at its next meetings when the Committee examines the accounts for 1960-61.

*Appropriation Accounts for 1959-60—(1) Page 9, paragraph 17 (a) 1—Expenditure on works in anticipation of technical sanction to estimate—*In this case, 2,197 works amounting to Rs. 5,48,41,016 were started without any sanction to estimates.

The matter was last considered by the Committee at its meeting held on 20th April, 1966, when the Department had stated that all the cases had been regularized with the exception of only eleven cases.

The Department now explained that ten cases had been regularized and the remaining one case would also be regularized very soon.

The Committee was further informed that as desired by the Committee a circular letter has been issued to the effect that no work should be commenced without obtaining technical sanction.

The Committee found the progress satisfactory and decided to drop the para subject to verification by the Audit.

(2) *Page 11 paragraph 17 (a) 2 (3)—Excess payment*—In this case, overpayment of Rs. 3,071 was made to a contractor who had not carried out earth work in accordance with the terms and conditions of the agreement as he had omitted to execute the item relating to watering and leveling in one foot layer with roller. He was, however, allowed final payment at full tendered rates in spite of the defective work.

The matter was last considered by the Committee at its meeting held on 20th April 1966 when the Department was directed to produce all the relevant documents and letters pertaining to this case and also the original tenders submitted by all tenderers, so that the Committee could go into this matter thoroughly.

The Department was not able to produce the original tenders from all tenderers as asked for in the last meeting.

The tender register which was not traceable till the time of submission of written explanations to the Committee for the present meeting was ultimately produced and it was pointed out that in the register the entry contained the words "without watering and leveling" with respect to all these tenders. However on scrutiny of the register and particularly in view of the fact that these words were added at the bottom of entries of each tender in two different inks the Committee had no option but to consider that these registers had also probably been tampered with and under any circumstances could not be accepted as sufficient evidence of what the Department were trying to prove.

The Chief Engineer had been requested by the Department to conduct a Departmental enquiry regarding the missing record and fix the responsibility for loss of record immediately. The inquiry was stated to be in progress. The Committee decided that the result of the inquiry and the action taken therein should be reported to the Committee when the accounts for 1960-61 are considered by the Committee.

The Committee suggested that the Communications and Works Department should have a thorough enquiry conducted into the circumstances which led to the tampering of the documents in this case and fix the responsibility for the same and report to the Committee the action taken against the officer or person concerned who was responsible for this.

The Committee felt that the system prevailing for preserving the documents and agreements was far from satisfactory and needed revision. The Committee suggested that a joint Committee consisting of the officers of the Communications and Works Department and the Finance Department should be appointed to consider formulating a new system whereby maximum precaution could be taken to see that the Government documents were not tampered with.

(3) *Page 12, paragraph 17 (a) 2 (5)—Excess payment of Rs. 3,905*—In this case, it was noticed that excess payments were made to contractors by allowing 10% premium on extra items of construction work sanctioned by Superintending Engineer for which no such allowance was admissible.

The matter was last considered by the Committee at its meeting held on 19th/20th April 1966, when the Committee was informed that Rs. 2,000 had been recovered and verified by Audit.

The Department now informed the Committee that total recovery had been made and verified by the Audit. The para was dropped.

(4) *Page 12, paragraph 17 (a) 2 (6)—Excess payment of Rs. 3,210*—In this case, excess payment was made to a contractor on a Building work on account of clearance of site in August, 1957, although the rates for the works included clearance of site.

This matter was considered by the Committee at its meeting held on 19th/20th April, 1966, wherein the Department had stated that steps were being taken to effect recovery from the contractor or from the officials concerned.

The Department now assured the Committee that they were trying to recover the amount from the contractor failing which the pension of the retired XEN would be stopped till the recovery was made.

The para. was dropped subject to recovery of the amount and its verification by the Audit.

(5) *Page 12, paragraph 17 (a) 2 (8)—Excess payment of Rs. 14,760*—In this case, excess payment of Rs. 14,760 was made to various contractors for the supply of soling stone by omitting to make deduction for voids while taking the measurement of stocks.

The matter was last considered by the Committee at its meeting held on 19th/20th April, 1966, wherein the Department explained to the Committee that the amount of excess payment was Rs. 5,235.73 and not Rs. 14,759 as pointed out by the Audit. The Committee directed the Department to reconcile the total amount of excess payment involved in this case, to effect the recovery of the amount, expedite the disciplinary action against the officials responsible and further to take action against the officers responsible for the delay.

The Department now stated that as a result of verification between the Audit and the Department the amount of the excess payment has increased from Rs. 14,759.50 to Rs. 15,367.59. The Department claimed to have recovered a sum of Rs. 9,278.19 as against Rs. 1,719.26, verified by the Audit. The Department further stated that Departmental action to fix responsibility and to charge-sheet the persons concerned was still in progress and that charge-sheet would be issued in the near future.

Audit pointed out that out of a sum of Rs. 9,278.19 which the Department claimed to have recovered a sum of Rs. 3,180.64 had been shown as recovered by way of adjustment from the contractors' deposit, although the contractor had no deposit at his credit with the Department and the result of this adjustment would be that while on the one hand, the contractor's account under this head would be regularized, on the other hand, under the deposit account his account would show minus Rs. 3,180.64. The Communications and Works Department requested for time to check up and verify the contention of the Audit.

The Committee observed that if the contention of the Audit was correct it was a very irregular method of effecting recovery and the Department should not only ensure that it was not resorted to in future but should also take the severest action against the officials responsible for effecting recovery by this method.

The Committee further observed that [although the Committee at its previous meeting had specifically asked the Department to fix the responsibility as to who was responsible for this unnecessary delay, the Department had not taken any steps in the matter. This was very painful, because it sets at naught the very system of scrutinizing the accounts by the Committee set up by the Provincial Legislature, if its recommendations and directions were treated with such scant respect.

The Committee recommended that the Department should—

- (a) make further efforts to recover the sum of Rs. 6,089.46 which remained unrecovered so far and get it verified by the Audit, and



- (b) proceed with departmental action against the persons concerned for the irregularity and to see that disciplinary action against the person or persons responsible for the unnecessary delay was taken.

The Committee decided that progress made in the matter should be reported to the Committee at its next meeting when the Accounts for 1960-61 are considered.

(6) *Page 13, paragraph 17 (a) 3 (1)—Shortage of Stores*—In this case, it was noticed that 760 maunds and 30 seers of M. S. Round 3/8" dia worth Rs. 19,864 had been received short from a firm. As no note about the shortage was recorded in the delivery book of the concerned Railway Station, the Railway authorities did not accept the shortage, which was placed under the Suspense head of the division pending recovery or adjustment.

The matter was last considered by the Committee at its meeting held on 19th April 1966, when the Committee was informed that full cost of the material had been recovered from the firm and that the Railway Department did not admit the claim for refund of Rs. 7,144 which had been paid to the Railway as freight. According to Audit so much amount could not have been paid as freight. It was then decided that the Department should reconcile the figures of freight charges with Audit.

The Department now explained that the amount of freight charges had been reconciled with audit and it stood at Rs. 2,427 which was proposed to be written off.

The Committee recommended the write off of the amount but desired that as regards the sum of Rs. 6,809 which is 10% of the total payment of Rs. 68,094 a certificate should be obtained to the effect that this payment would not be made if claimed in future. Subject to above, the para was dropped.

(7) *Page 14, paragraph 17 (a) 3 (3)—Shortage of Stores*—In this case, empty cement bags and empty drums worth Rs. 1,80,917 were found short against certain officials who remained incharge of the stores for the period from 1952-53 to 1954-55.

The matter was last considered by the Committee at its meeting held on 19th April 1966, and was deferred till further inquiry and verification by Audit was made.

The Department now stated that the inquiry had been completed and a copy of the report had been sent to the Audit for verification.

The Committee decided to consider this item also at the next meeting when the accounts for 1960-61 are considered.

(8) *Page 14, paragraph 17 (a) 3 (4)—Shortage of Stores*—As the amount of this paragraph was included in paragraph 17 (a) 3 (i) of 1958-59, the para was dropped.

(9) *Page 15, paragraph 17 (a) 4 (2)—Misappropriation of Stores*—In this case, coal worth Rs. 7,607 was stated to have been made over to a contractor in March, 1957, but there was nothing on record to show that he had actually received the material and paid the cost.

The matter was last considered by the Committee at its meeting held on 19th April, 1966, wherein the Department had stated that the officer concerned was being charge-sheeted.

The Department now stated that the officer had been charge-sheeted but the reply of the charge-sheet was still awaited.



The Committee decided to defer consideration of this item to the next meetings when the accounts for 1960-61 are considered.

(10) *Page 16, paragraph 17 (a) 4 (3)—Misappropriation of Stores*—In this case, G. I. Pipe of 3/4" measuring 1,140 Rft. worth Rs. 1,425 was obtained from dismantling a temporary pipe. The material thus obtained was neither taken on stock nor its disposal otherwise was shown by the Departmental officer.

The matter was last considered by the Committee at its meeting held on 19th April, 1966, wherein the Committee had directed the Department to make a detailed inquiry into the matter and report the result to the Committee.

The Department now stated that an inquiry officer had been appointed in this case. The findings of the inquiry officers revealed that there was no misappropriation. Audit pointed out that as the report of the inquiry officer had been received by the Audit only recently it could not be scrutinized.

The Committee decided to drop the paragraph subject to verification of the findings by Audit.

(11) *Page 16, paragraph 17 (a) 4 (5)—Misappropriation of Stores worth Rs. 2,10,614*—In this case, Stores worth Rs. 2,10,614 were received from another Division during the period from August, 1958, to December, 1958, the Debit for the cost of which was accepted by the receiving Division in January, 1959. The materials were neither accounted for in the stock register nor shown in the material at site account of the work to which the cost thereof was charged.

The matter was last considered by the Committee at its meeting held on 20th April, 1966, wherein it was decided that a joint inquiry with Audit should be made in this matter.

As the joint inquiry had not been made by this time the Committee decided to defer the item to be considered along with the Appropriation Accounts for the year 1960-61.

(12) *Page 17, paragraph 17 (a) 4 (7)—Misappropriation of Stores worth Rs. 13,362*—In this case, 634.7 cft. teak wood was received from another division on indent whereon the acknowledgement of the receipt of material was given. But actually the teak wood received was not shown as having been received in the Account. The supply Division debited the cost in the accounts of August 1958 but the amount was placed under suspense head by the recurring Division.

The matter was last considered by the Committee at its meeting held on 19th April 1966, when the Committee was informed that the cost was proposed to be recovered from the contractor to whom the material was issued but no progress was made as the case was sub-judice.

As no progress had been made in the previous position the Committee again decided to defer its consideration to the next meetings when the Accounts for 1960-61 are considered.

(13) *Page 17, paragraph 17 (a) 4 (9)—Misappropriation of Stores worth Rs. 2,850*—In this case, M. S. Rounds worth Rs. 2,850 were returned to the Department by a contractor in December, 1954. The material in question was neither taken on Stock nor was handed over at the time of his transfer by the Government official receiving the Stores.

The matter was last considered by the Committee at its meeting held on 19th April, 1966, when the Department had stated that necessary inquiries were being made to fix the responsibility.

As the position remained unchanged, the Committee decided to defer this item to the next meetings when the Accounts for 1960-61 are considered.

(14) *Page 19, paragraph 17 (a) 5 (3) — Undue financial aid to Contractor amounting to Rs. 59,264*—In this case, it was stipulated in the agreement of a contractor that the cost of material viz., cement, bricks, steel and wood supplied by the Department would be recoverable from him and not charged direct to the Account of the work. Contrary to the term and conditions of the agreement material worth Rs. 99,195 was charged direct to work and no material at site account was kept to show its receipt and consumption. The ledger account of the contractor disclosed a *minus* balance of Rs. 29,931 to the end of December, 1958, showing that debit for stores issued to him were not posted to his account and after that ledger account was not maintained.

The matter was last considered by the Committee at its meeting held on 19th April 1966 when the Department had stated that the contractor who had been asked to pay Rs. 29,896 had gone to Court and the case was pending.

As the position of the case remained unchanged and the question of departmental action against the official at fault was pending with the Chief Engineer the Committee decided to defer the consideration of this item to its next meetings when the accounts for 1960-61 are considered.

(15) *Page 20, paragraph 17 (a) 6 (1) — Fictitious Stock adjustment*—In this case, case, material worth Rs. 1,59,244 was shown as issued from stock on indents to certain work in March, 1959. The Stock Register of the respective Sub-Division however, revealed that no stock was issued on the authority of these indents. This tent amounted to fictitious stock adjustment which apparently was carried out to utilize the budget grant and constituted serious financial irregularity.

The matter was last considered by the Committee at its meeting held on 19th April 1966, wherein it was decided that the Department should hold a joint inquiry associating the Audit.

As the joint inquiry had not been made, the Committee decided to defer this item to the next meetings when the Accounts for 1960-61 are considered.

(16) *Page 22, paragraph 17 (a) 7 (2) — Irregular payment of Rs. 2,258 and Rs. 6,159*—In this case, the irregular payment of Rs. 2,258 and Rs. 6,159 were made to a contractor by an S. D. O. due to fictitious measurements recorded by an overseer. The former payment represented cost of steel alleged to have been used over and above the requisite quantity for reinforced concrete work. The later represented the cost of the difference of slack coal supplied to the contractor by the Department. According to the agreement none of the above two payments were admissible to the contractor.

The paragraph was last considered by the Committee at its meeting held on 19th April, 1966, when the Committee was informed that inquiry in this case was in progress.

The Department now stated that the inquiry had been completed and the same was being considered by the Department.

The Committee decided to defer the consideration of this item also to the next meetings when the accounts for 1960-61 are considered.

(17) *Page 23, paragraph 17 (a) 8 (1) — Non-return of empty cement bags*—In this case, 49,530 cement bags were supplied by the Department to various contractors but no account of empty cement bags were maintained nor was there any record to show that the empties had actually been returned by the contractor. The cost of empties amounting to Rs. 99,060 should have been recovered from the contractors or the Government officials at fault.

The matter was last considered by the Committee at its meeting held on 18th May, 1966. The Department was directed to fix responsibility on the officers concerned for the omission to receive back the cement bags at the time the cement was used and to take appropriate disciplinary action against them.

The Department now stated that 7,000 bags out of 49,530 have been recovered and the efforts were being made to recover the remaining bags from the contractors. The Committee was further informed that 9 officers and 2 subordinates had been held responsible and disciplinary action against them was under way.

The Committee decided to drop the paragraph subject to recovery of the bags and disciplinary action against the officers concerned and verification by Audit.

(18) *Page 25, paragraph 17 (a) 10 (2)—Non-recovery of Demurrage charges—* In this case, a sum of Rs. 2,519 representing wharfage and demurrage charges were paid to the Railway authorities on account of delay in clearing the railway siding and taking the delivery of the materials in time. The amount was debited to works concerned.

The matter was last considered by the Committee at its meeting held on 18th May 1966 when full facts were not placed before the Committee.

The Department now stated that the matter had been investigated by the Superintending Engineer who reported that the payment of demurrage and wharfage charges to the extent of Rs. 1,543.56 were unavoidable due to late receipt of Railway Receipt which was wrongly sent by the Cement Company to Theri instead of Thari. According to the Department it was very difficult to recover the amount from the Cement Factory which has since been taken over by the Government. Out of the remaining amount, a sum of Rs. 620 had been recovered and necessary action for the recovery of the balance was in progress.

The Committee recommended that the sum of Rs. 1,543.56 might be written off subject to verification of the above fact by the Audit. The remaining amount should be recovered and got verified by the Audit. Subject to this, the para was dropped.

(19) *Page 26, paragraph 17 (a) 12—Loss of Stores—* In this case, 941.95 tons of cement valuing Rs. 97,834 was caked up during the year 1955 for want of proper storage arrangement to guard against rains. Subsequently the unserviceable cement was put to auction in 1957 and different bids aggregating to Rs. 34,305 were received according to the condition of the cement but were not accepted by the Superintending Engineer being too low. Thereafter the auction of cement was advertised many a time but no one came forward to bid with the result that Government had to suffer a total loss of Rs. 97,834 which would have been reduced to Rs. 63,529 if the bids received at the time of auction had been accepted in the first instance.

This matter was last considered by the Committee at its meeting held on 18th May, 1966, when the Committee was informed that the matter had been inquired into by an officer but as the Audit made certain observations on his findings a second inquiry officer had been appointed. The Committee then deferred the para till the completion of the second inquiry.

The Department stated that the second inquiry was still in progress.

The Committee deferred the consideration of this item also to its next meetings when the accounts for 1960-61 are considered.

(20) *Page 28, paragraph 17 (a) 21—Additional payment amounting to Rs. 9,092—* In this case, payment of Rs. 9,092 was made to a contractor for removal of rust from steel used in R.C.C. works. As the removal of and clearance of rust from steel was the contractors responsibility and was included in the rate for R.C.C. work, the additional payment on this account was not justified.

The matter was last considered by the Committee at its meeting held on 18th May, 1966, when the Department had stated that steps were being taken to recover the amount from the contractor and that the explanation of officials responsible for the payment had been called for.

The Department now informed the Committee that the matter of recovery from the contractor was sub-judice and that the responsibility for the payment had been fixed and charge-sheets were being issued.

The Committee decided to defer the consideration of this item also to its next meetings when the accounts for 1960-61 are considered.

(21) *Page 58 paragraph 17-VII (ii)—Delay in Disposal of Audit Notes and Inspection reports*—In this case, Audit had pointed out that 435 Audit Notes and Inspection reports had not been disposed of inspite of repeated reminder.

The matter was last considered by the Committee at its meeting held on 18th May, 1966, wherein the Department had stated that out of 435 only 13 Audit Notes and Inspection reports were outstanding and that the departmental action against the officers responsible was being taken. The Committee then decided that the disciplinary action taken against the officers should be reported to the Committee.

The Department now stated that all the Audit Notes and inspection reports had been cleared.

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

(22) *Page 164, Item No. 4, Grant No. 29-Civil Works—Suspense*—According to the Audit there was a heavy balance of Rs. 8,22,84,752 in the Suspense under head 'Stocks' and an amount of Rs. 9,86,79,837 in the Suspense under the head 'Purchase' which should be reduced to a reasonable limit.

The matter was considered by the Committee at its meeting held on 18th May, 1966, when the Committee directed the Department to reduce the balances under both the heads.

The Department now informed the Committee that efforts had been made to reduce the balances.

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

(23) *Page 168, paragraph 12 under Grant No. 29 Civil Works*—In this case, a Sub-Division was transferred and amalgamated with another Division on 28th February, 1957. A shortage of stores amounting to Rs. 25,265 was noticed and pointed out by the successor Division after 2 months of transfer of the Sub-Division. A detailed report of the shortage was submitted by the Executive Engineer in March, 1960. In this report the Executive Engineer had recommended to the Superintending Engineer that the amount of the shortage should be recovered from the Sub-Divisional Officers and Overseers who remained incharge of the stores upto 28th February, 1957. During the period upto the date on which the shortage was noticed, no physical verification of stores was done either by the Sub-Divisional Officer or the Overseers at the prescribed interval of one year and 6 months respectively. According to the Audit the shortage was facilitated due to non-observance of rules.

The matter was last considered by the Committee at its meeting held on 18th May, 1966, wherein it was stated by the Department that the action was being taken against the official concerned.

The Department now informed the Committee that the inquiry officer had been appointed to investigate the total shortage who had since fixed responsibility of the loss and on that basis a charge sheet was being issued to the official concerned.

The Committee decided to drop the para subject to finalization of the case by the Department and its verification by the Audit.

(24) *Page 214, Item No. 4 Annexure—Pilferage of material worth Rs. 1,013 and Rs. 1,996*—In this case, pilferage of material worth Rs. 1,013 and 1,996 was pilfered as the Soling stone purchased was not accounted for.

The matter was considered by the Committee at its meeting held on 18th May, 1966, when it was stated by the Department that an Executive Engineer had been appointed as an inquiry officer in this case whose report was awaited.

The Department now explained that the overseer has been warned for not adopting the proper procedure and taking the material on Road Metal Register. The para was dropped.

(25) Page 181, paragraph No. 9, Grant No. 31 Civil Works—Non-recovery of cost of Stores sold on credit Rs.12,529—In this case, Stores worth Rs.12,529 were alleged to have been sold on credit to an Executive Engineer in the year 1952-53 and 1953-54. The sale was made without obtaining proper acknowledgements from the purchaser in token of his having received the material. It was pointed out by Audit in 1955 and the Department was asked to recover the amount from the officer concerned. The officer however, refused to pay the amount on the plea that he did not receive the material alleged to have been sold to him. As the Department concerned failed to produce the necessary acknowledgements for the material the liability against the officer could not be proved. However, out of the total recoverable amount of Rs. 12,529 the officer had deposited a sum of Rs. 4,154 in April, 1961, which he had accepted of his own accord but he was not prepared to pay the balance.

The matter was last examined by the Committee at its meeting held on 18th May 1966, when it was explained that action for the recovery of amount was taken but the official responsible filed a suit which was dismissed but as the period of limitation for filing appeal had not expired no further action could be taken.

The Department now stated that necessary recovery has since been made. Subject to verification by the Audit, the para was dropped.

#### COMMUNICATIONS AND WORKS—SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

III. The Committee considered the explanation of the Services and General Administration Department in respect of the following item appearing in the Appropriation Accounts for 1959-60.

Page 26, paragraph 17 (a) 13—Loss of Revenue—This item was considered by the Committee on 24th October, 1966, but was deferred for 25th October, 1966, to allow time to the Audit to verify the explanation of the Department by examining the records and the Department was asked to show full records to the Audit in that connection.

The Audit Department now reported that as full records of the Department were not shown to them they could not verify the contention of the Department.

The contention of the Services and General Administration Department was that in all 813 quarters and not 1000 as stated by the Audit were completed and handed over to the Estate Office upto 30th April, 1957. Out of 813 quarters, 64 were utilized for purposes other than residential accommodation of the One Unit Staff as detailed below :—

(1) Reserved for P. W. D. maintenance staff	..	18
(2) For shops	.. ..	17
(3) For Schools, Mosques, Police Post, Post Office and Dispensary	.. ..	29
Total	..	64

Besides 60 quarters were placed at the disposal of the Accountant-General, West Pakistan and 88 at the disposal of the D. I. G., C. I. D. Thus 601 quarters were available for allotment to the incoming staff of the integrating Units out of which 586 were actually occupied by the allottees and the remaining 15 which were allotted in time were occupied by the allottees in the subsequent month. As such Government did not suffer any loss.

The Committee noted that the Deputy Secretary of the Department who was present on 24th October 1966, was not now present. The Department was represented by the Estate Officer.

The Estate Officer further stated that unless the details of quarters said to have been vacant were intimated by the Audit, the Services and General Administration Department could not examine the case further. According to the Audit this information could be had from the Public Works Department. The Committee directed that the whole matter should be scrutinized in joint meetings consisting of the officers of the Services and General Administration Department, Communications and Works Department and the Audit Department wherein the loss caused to Government due to delay in making allotments of quarters should be assessed and the resultant position be reported by the Services and General Administration Department to the Committee at its next meetings when the accounts for 1960-61 are considered.

IV. The Committee then adjourned to meet again on 26th October 1966, at 10-00 A. M.

LAHORE :  
The 25th October, 1966. }

ZAIN NOORANI  
CHAIRMAN,  
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 26TH OCTOBER, 1966 AT 10-00 A.M. IN  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**I. The following were present:—**

- |  |    |                 |
|--|----|-----------------|
| (1) Mr. Zain Noorani, M.P.A.   | .. | Chairman.       |
| (2) Chaudhri Muhammad Nawaz, M.P.A.  | .. | Member.         |
| (3) Rai Mansab Ali Khan Kharal, M.P.A.   | .. | Do.             |
| (4) Khan Malang Khan, M.P.A.   | .. | Do.             |
| (5) Chaudhri Muhammad Sarwar Khan, M.P.A.  | .. | Do.             |
| (6) Qazi Muhammad Azam Abbasi, M.P.A.  | .. | Do.             |
| (7) Mr. Asif Rahim, C.S.P., Additional Secretary to Government of West Pakistan, Finance Department.   |    | Expert Adviser. |
| (8) Mr. N.A. Chaudhri, P.A. & A.S., Director, Audit and Accounts (Works) West Pakistan.  |    | By invitation.  |
| (9) Sheikh Ahmad Hasan, P.S.E.I., Secretary to Government of West Pakistan, Irrigation and Power Department along with Member Finance, WAPDA and Chief Engineers (Irrigation) and A.D.C. |    |                 |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary of the Committee.

**II. The Committee in the first instance considered the explanation of the Irrigation and Power Department in respect of the following items appearing in the Appropriation Accounts for the year 1958-59 :—**

(1) *Page 23 para. 17(a) 18(1)—Shortage of Store worth Rs. 1,14,873 and a surplus of Stores worth Rs. 1,99,773—In this case there was a shortage of Stores worth Rs. 2,61,040 and surplus of stores worth Rs. 2,71,441.*

The matter was last considered by the Committee at its meeting held on 16th May, 1966, wherein it was explained that an enquiry committee headed by a Superintending Engineer with two Executive Engineers had been appointed to verify the actual shortage and excesses. The inquiry committee expressed its inability to handle the work until and unless additional staff was given for the purpose. The Committee was not satisfied with the way in which this matter was handled by the Irrigation and Power Department. The Committee was of the opinion that in view of the long time which had been allowed by the Department to lapse it would be impossible to trace out the shortages satisfactorily. The Committee advised that the Department should approach the relevant authorities to get the shortages written off.

**The Department now explained that:—**

- (i) the case of write off of Rs. 1,18,547.63 outstanding against migrated, died and retired officials would be referred to Finance Department.
- (ii) an amount of Rs. 1,940.61 has been recovered from various officials and verified by the Audit.
- (iii) an amount of Rs. 14,795.89 has been adjusted and accepted by the Audit Department.
- (iv) an amount of Rs. 3,851.40 recovered from various officials is under verification by the Audit for adjustment against surpluses.
- (v) an amount of Rs. 1,25,053.14 was outstanding against various officers/officials. Enquiries against 17 officials including charge.

sheeting of 11 officials were going on with a view to pin point exactly the reasons of shortages and to trace the real culprits. The Chief Engineer was making concerted efforts to finalize these cases.

The Committee decided that the action taken against these 11 officers should be reported to the Committee in its next meetings when the accounts for 1960-61 are considered.

(2) *Page 28, para. 17(a)(19)(6)—Mis-appropriation of Stores*—In this case 287 gallons of petrol worth Rs. 946 was issued from the stores for use in various trucks but the same was neither accounted for in the log books nor any consumption shown thereof elsewhere. Similarly 225 gallons of diesel oil and 44 gallons of petrol worth Rs. 439.00 was issued but its receipt was neither accounted for nor its consumption shown in the relevant books.

The matter was last considered by the Committee at its meeting held on 16th May, 1966, when it was explained that the enquiry officer had been appointed and his report was awaited.

The Department now explained that the inquiry officer had reported that neither any record was produced before him to verify the actual shortage nor the officer responsible produced any evidence in his defence. The inquiry officer recommended that recovery should be made from the then Sub-Divisional Officer who is presently working as Store Controller, M.P.O. Accordingly a show cause notice was issued though Chief Engineer (Development WAPDA). The explanation of the officer which was received on 20th October 1966 was under examination in the Secretariat.

The Committee decided to defer the consideration of this item to the next meetings of the Committee when the Accounts for 1960-61 are considered.

(3) *Page 29 para 17(a) 23—Short recovery from a Private person*—In this case stores were sold to a private person at lower than the prevailing market rates resulting in the loss of Rs. 2,280.

The matter was last examined by the Committee at its meeting held on 16th May, 1966, where in it was explained that two Sub-Divisional Officers, one Executive Engineer and a Divisional Accountant were held responsible in the matter but whereabouts of one of the Sub-Divisional Officer was not traceable. The Committee then directed the Department to pursue the matter further and make more concentrated efforts to trace out the officer and effect recoveries from all concerned.

The Department now explained that a sum of Rs. 162 has since been recovered from an Sub-Divisional Officer and verified by Audit and a sum of Rs. 118 had been written off as the whereabouts of Mr. Muhammad Hanif Bahuri could not be known inspite of the best efforts. For the remaining amount notices have been served on Hanif-ud-Din Khilji, Divisional Accountant and the Executive Engineer, Irshad Nabi (at present working in Nigeria) which would be pursued.

The para was dropped.

(4) *Page 30 para 17(a)27—Loss of Foreign Exchange*—In this case, tractor spare parts worth Rs. 20 lac (365832.4) were purchased through Director-General Supply and Development. When the consignments were received and opened, these spare parts were found to be old and unserviceable.

The matter was last considered by the Committee at its meeting held on 16th May, 1966, wherein relevant record could not be produced before the Committee.

WAPDA officials now explained that this para is also under consideration of the Central Public Accounts Committee.

The Committee decided to defer the para till the decision is taken by the Central Public Accounts Committee.

(5) *Page 30 para. 17(a)29—Infructious expenditure*—This is a case of purchase of 40 Vicker Tractors without proper planning resulting in infructuous expenditure of Rs. 63,97,415.—



The matter was last considered by the Committee at its meeting held on 16th May, 1966, when the Audit pointed out that the File pertaining to the placing of the indent was not supplied to them. The Committee directed that the File in which the office copy of the original indent was placed should be produced before the Committee.

The Department now stated that the File pertaining the original indent had been traced out and sent to the Audit for their examination.

The Committee decided to defer the consideration of this item to the next meetings of the Committee to enable Audit Department to examine the file so that their comments become available for consideration of the Committee.

III. The Committee then proceeded to consider the items relating to budget portion for the year 1959-60 but found that the audit comments were not available in the working papers. Director of Audit and Accounts (Works) stated that as the Audit Department had received the working papers very late they could not examine and offer comments thereon. Consideration of these items was therefore deferred to 3rd November, 1956, at 10-00 a.m.

IV. The Committee then considered explanation of the Irrigation and Power Department in respect of following items appearing in the Appropriation Accounts for 1959-60.

(1) *Pages 9-10 Para. 17(a) 1—Expenditure on 4331 works in anticipation of Technical sanction to estimate*—The matter was last discussed by the Committee at its meeting held on 17th May, 1966, wherein the Department had stated that the number of works had been reduced from 4331 to 136. The Committee desired that the Department should regularize the remaining cases and take disciplinary action against all officers responsible for incurring expenditure.

According to the Department the number of outstanding unsanctioned estimates given in the last meeting increased to 650 on reconciliation with Audit, out of which 485 have been cleared and only 165 were outstanding. It was further stated that departmental action against officials were being taken.

The Committee observed that the Department did not place a complete picture of the case before the Committee and deferred the consideration of this item to the next meetings when the Accounts for 1960-61 are considered.

(2) *Page 29 Para. 17(a) 22(4)—Excess payment*—In this case an over payment of Rs. 1,982 was made by changing the two rates of Rs. 4 and Rs. 5 per tree originally allowed by the Sub-Divisional Officer for cutting and removing trees during the year 1955 to Rs. 6 per tree in the office records after a period of three years by a Sub-Divisional Officer.

The matter was last considered by the Committee at its meeting held on 17th May, 1966, wherein it was explained that the amount had been placed in Misc. P.W. Advances pending recovery and the Sub-Divisional Officer had been charge-sheeted. The Committee directed the Department to furnish the details of the trees which were cut down and their disposal.

The Department now explained that the details of trees have been supplied to the Audit and the Sub-Divisional Officer has been charge-sheeted for the overpayment and after necessary formalities the case has been sent to the Public Service Commission for advice.

As necessary action was being taken by the Department and the case had gone to the Public Service Commission for their concurrence to the recovery being made from the officer concerned, the para was dropped.

(3) *Page 30 Para. 17(a) 23(2)—Shortage of Stores*—In this case store worth Rs. 2,825 were found short during April, 1958.

The matter was last examined by the Committee at its meeting held on 17th May, 1966, wherein it was explained that some recovery has been made and steps were being taken to write off the balance. The Committee asked for full details.

The Department now explained that recoveries to the extent of Rs. 236 had been made and Rs. 612 had since been written off. The Department was taking action to get the balance written off as this partly represented the value of Tools and Plant articles which were very old and partly the amount was due from an Overseer who was no longer in service.

The Para. was dropped.

(4) *Page 30 para. 17(a) 23(4)—Shortage of Stores*—In this case, stock worth Rs. 3,122 and Tools and Plant articles worth Rs. 576 were found short against various officials. Some articles were subsequently traced leaving a balance of Rs. 1,760 and 475.

The matter was last examined by the Committee at its meeting held on 17th May, 1966 where full details of the shortages were not produced.

According to the Department Faqir Muhammad, Overseer was guilty of shortages of Tools and Plant articles worth Rs. 1,759.50. He has been charge-sheeted. This case would be decided in due course.

As regards Rs. 475 the Department stated that 8 darries were brought from M/s. Rooldo Muhammad Din & Sons on hire basis by an Overseer out of which 5 were returned and remaining 3 costing Rs. 475 were taken on Tools and Plant Return by the then Overseer by mistake. The mistake was subsequently rectified by returning the darries to the firm.

From the oral explanations given by the department it appeared that the Department had not only paid by way of rental for the three darries an amount which was in excess of the cost of 3 new darries, but had probably also returned the darries to Rooldo Muhammad Din.

However as the record of this case was not made available to the Committee, to ascertain this item was deferred for 3rd November 1966 to enable the Department to produce all the necessary record.

(5) *Page 31 Para. 17(a) 23(1)—Shortage of Stores*—In this case one Overseer was transferred to another Division, but he did not hand over charge before leaving the Division. Subsequently shortage of stores worth Rs. 8,192 was noticed in the store. A sum of Rs. 5,354 was subsequently recovered leaving a balance of Rs. 2,838.

The matter was last considered by the Committee at its meeting held on 17th May, 1966 wherein it was stated that efforts are being made to recover the amount and to take disciplinary action against the official responsible for the shortage.

The Department now stated that the entire amount has been recovered except Rs. 2,640 which too would be recovered at the rate of Rs. 150 per mensem from the official.

The para was dropped subject to verification of the recovery of the entire amount by the Audit.

6. *Page 31 Para. 17(a) 23(12)—Shortage of Stores*—In this case, stock worth Rs. 3,131 was found short against certain official.

The matter was last considered by the Committee at its meeting held on 17th May, 1966 wherein it was stated that an inquiry into the matter had been made and that necessary action on the report would be taken. The Committee asked for full facts of the inquiry and relevant records.

While stating the facts of the case the Department now stated that as a result of the inquiry the amount had been reduced to Rs. 1,929.85 which had been recovered from the officials responsible for the shortage and verified by the Audit.

As far as disciplinary action against the Assistant Engineer for his failure to make physical check within three months, the Department stated that the matter was being pursued and the action taken would be intimated to the Audit.

Subject to above the para was dropped.

(7) Page 34 Para. 17(a) 26(1)(i)—*Infructuous Expenditure*—In this case, certain equipment required in connection with gates and gearing were ordered on Government Workshop. On receipt of the machinery, an additional sum of Rs. 3,38,319 was spent on rectifying certain defects in manufacture and for providing a number of missing items in the equipment although the Government Workshop was supposed to supply the equipment free of any defect and complete in all respects. Thus the additional expenditure was a loss to the Department.

At the last meeting held on 17th May, 1966, the Department explained that the fabrication of gates and gearing was entrusted to a firm named M/s Brown and Roots. The Department according to their own convenience provided them with a Workshop site for fabrication at Bhalwal. After the fabrication of the structure the material was carried to Taunsa Barrage at the Department's expenses. While carrying the heavy pieces of gates and superstructure it was experienced that these could not be carried in assembled condition and therefore, had to be carried to site in pieces which the wagons could accommodate. Naturally when material is carried from one place to another, some damage is bound to be caused due to the processes of loading and unloading and transit.

The Committee then decided that a joint inquiry by the Administrative Department, the Finance Department and the Audit should be conducted to bring more facts to light and the report of the inquiry should be placed before the Committee.

As the joint inquiry was still in progress the item was deferred for consideration alongwith the accounts for the year 1960-61.

(8) Page 36—Para. 17(a) 34—*Outstanding recovery against Government officials*—In this case, Rs. 13,448.19 were debited to the suspense head Misc. Public Works Advances as recoverable from Government officials from the period ranging from March, 1950 to October, 1959.

The matter was last considered by the Committee at its meeting held on 17th May, 1966 when the Committee was informed that Rs. 6,260 had been recovered. The Committee directed that the balance of Rs. 7,188.56 should be recovered and the disciplinary action taken against the officers concerned be reported to the Committee.

According to the Department latest position in respect of recoveries is as under:—

	Rs.
(i) Recoveries already effected ..	6,471.44
(ii) Recovery being effected in instalments from the Sub-Divisional Officer under E & D Rules, 1960.	1,234.00
(iii) Recovery made from the arrear bill of a non-Muslim Sub-Divisional Officer who has since migrated to India (verification awaited from Government of India)	962.75
(iv) Adjusted by classification to the correct head ..	180.00
(v) Amount accounted for by the Sub-Divisional Office as per report of the inquiry officer	1,400.00
(vi) Proposed to be written off ..	3,200.00

As regards item (v) the amount of Rs. 1,400 outstanding against a Sub-Divisional Officer, the Superintending Engineer who conducted the inquiry reported that

the Sub-Divisional Officer had actually tendered the account of 400 gallons of petrol at a belated stage which was reported short against him. The case is under scrutiny in the office of the Chief Engineer and is likely to be finalized very soon.

As far item (vi) the Assistant Engineer concerned has been censured for his negligence in not having made payment of Rs. 3,200 to the villagers in the presence of his Xen. and for dismantling their landhis and using the material so recovered on some bund during the abkalani of 1956.

The para. was dropped subject to verification of recoveries and regularisation of the expenditure of Rs. 3,200 by the Audit.

(9) Page 37—Para. No. 17(a) 35—*Non-accounting of expenditure under the final head*—In this case the Audit objection was that a debit amounting to Rs. 35,761 on account of work done and supplies made on behalf of another Division was advised through the head transfer between Public Works Officers in the month of December, 1949 for adjustment and incorporation in the Accounts of the later Division. The debit was not accepted and incorporated in the accounts by the concerned Division.

Secretary, Irrigation and Power Department requested the Committee to allow him some more time to look into the matter. The para. was therefore deferred to be taken up when the accounts for 1960-61 are considered by the Committee.

(10) Pages. 53-54—Para. VI—*Expenditure on Deposit Works in excess of the Deposits received by the Public Works Department*—In this case, expenditure on works was incurred in excess of the actual deposits.

The Department explained that only one case remained outstanding and that too was being cleared.

The para. was dropped.

(11) Pages 58-59—Para. No. VII (ii) (a) and (b)—*Delay in disposal of Audit Notes and Inspection Reports*—In this case, a large number of Audit Notes and Inspection Reports were outstanding which had not been disposed off by the Department.

The Department explained that almost all the Audit notes and inspection reports have since been cleared.

The para. was dropped.

(12) Pages 60-63—Para. VIII (a) (b) & (c)—*Arrears in Accounts-Documents and Returns*—Same as against item No. (11) above.

(13) Page 92 Para. No. 6—*Grants No. 11—Loss of carpets*—Two carpets worth Rs. 880 were stolen from a rest house in November, 1957 due to negligence of the Chowkidar who has since been dismissed from service. Government have written off the loss.

The para. was dropped.

(14) Page 94 Para. 7(i)—*Grant No. 11—Loss of Public Money*—In this case on 19th November, 1949 Mr. Ahmed Din, Daffadar of Khanki Division brought Rs. 50,80.37 from Wazirabad Sub-Treasury but he handed over Rs. 2,500 only to the Sub-Divisional Officer, Khanki and kept the remaining amount of Rs. 2,580.37 relating to pay of regular establishment as the office was closed at that time. On the next day the daffadar proceeded on 2 day's casual leave and handed over Rs. 2,580.37 to Barkandaz Mr. Babu Khan for delivering the same to the Sub-Divisional Officer. The Barkandaz did not hand over the cash to the Sub-Divisional Officer. The daffadar on his return on 21st November, 1949 from leave found that the Barkandaz had absconded with the cash. The case was reported to the Police on 22nd January, 1949 and the accused was tried in the court of Special Judge, Lahore at Gujranwala. The learned Judge acquitted the accused on 16th April, 1960. The matter was then reported to the Secretary, Irrigation and Power for writing off Rs. 2,580.37 which was done on 12th October, 1964 with the concurrence of Finance Department.

As regards disciplinary action against the defaulter for not filing the appeal in the High Court against the judgment of Lower Court it was stated that as soon as

the case was handed over to the police for investigation, it became Crown case and no longer remained a departmental case. After the decision of Lower Court, it was the duty of Prosecuting Agency to lodge an appeal in the High Court.

From the perusal of records the Committee found that Irrigation and Power Department had passed orders on 26th September 1964 to the effect that disciplinary action should be taken against the officer concerned for not filing an appeal. This order seemed to have been completely missed and no disciplinary action was taken. Secretary, Irrigation and Power Department assured the Committee that necessary action in this matter would be taken by him.

On this assurance the para was dropped.

(15) *Page 93—Paragraph 7(ii)—Grant No. 11*—In this case a sum of Rs. 18,900 was fraudulently drawn through a blank cheque removed alongwith the counter-foil from the cheque book of a Sub-Divisional Officer. The accused were convicted in Court. Supreme Court remanded the case against one accused for re-trial. In the re-trial the accused was discharged. The Department proposed to write off the loss.

The para was dropped subject to write off.

(16) *Page 93—Paragraph No. 7 (iii)—Grant No. 11*—This was another theft case in which a sum of Rs. 1,231 was stolen alongwith 50 ft. metal tape, some measurement books, receipt books etc., kept in a confidential box of the Sub-Divisional Officer which was kept in a locked almirah in office due to non-provision of cash chest. As the Division was newly set up the office was functioning in a Jirga Hall and no room was provided for the treasure chest and treasure guard. In view of this the Department asserted that no one could be held responsible for the loss. The Department proposed to write off the amount.

Subject to verification of write off by the Audit, the paragraph was dropped.

(17) *Page 108, Paragraph No. 6 (i)—Grant No. 13*—In this case three heavy duty batteries costing Rs. 1,200 were lost during transit by rail from Karachi to destination. Claim for the loss was rejected by the Railway as the consignment was booked at owner's risk which is the usual procedure for forwarding Government consignments. Sanction to the write off of the loss has since been accorded.

The paragraph was dropped.

(18) *Page 108—Paragraph No. 6 (ii)—Grant No. 13*—In this case G. I. wire netting of the two spurs and apron at the upstream end of Syphon was cut by some one and taken away. The loss estimated to Rs. 1,906. Accused could not be traced. The loss has since been write off.

The para was dropped.

(19) *Page 109—Paragraph No. 6 (iii)—Grant No. 13*—This was another case of theft of stores worth Rs. 3,763. The accused could not be traced. Two Chowkidars were dismissed. The loss has since been written off.

The para was dropped.

(20) *Page 109—Paragraph No. 6 (iv) Grant No. 13*—In this case some material costing Rs. 2,360 were removed from the godown. The accused could not be traced. In the departmental inquiry the chowkidar and the store cooly were held responsible and discharged from service. The loss has since been written off.

The para was dropped.

(21) *Page 109—Paragraph No. 7—Grant No. 13—Execution of a deposit work without sufficient deposit to cover the total cost*—According to the Audit in April, 1960, a Public Works Division undertook to execute a work on behalf of Pakistan Air Force authorities on the explicit condition that its cost will be re-imbursed by the authorities. A prior realization of cash was neither insisted nor actually made by the Executive Engineer who incurred expenditure to the extent of Rs. 9,81,109. The

Pakistan Air Force authorities, however, paid a sum of Rs. 8,81,710 only in cash in the month of July, 1961, leaving a balance of Rs. 99,399. The reimbursement of the above amount was held up as the excess over the original estimate was not acceptable to the Pakistan Air Force authorities. This situation would have been avoided if the expenditure has been restricted and the estimate or sufficient deposit had been obtained by the Executive Engineer before the execution of work.

According to the Department the work "Construction of a conduit over gravity flow canal of the Warsak High Level Canals System" was executed for the P. A. F. authorities, to prevent damage from seepage to the Peshawar aerodrome which lies in close proximity of the canal. As desired by the P. A. F. authorities an estimate of the work amounting to Rs. 8,81,710 (work outlay Rs. 7,16,837 plus departmental charges Rs. 1,64,873) was framed and sent to them for approval. Mean while the work being very urgent was taken in hand as desired by the P. A. F. authorities. The approval of the P. A. F. received on 31st May 1961 and the estimated amount was deposited by them in July, 1961 with the Executive Engineer concerned. Before the work was completed the P. A. F. authorities desired the execution of some additional works which necessitated revision of the estimate. The revised estimate was accordingly sent to the P. A. F. on 20th November 1963, who conveyed their acceptance on 3rd April, 1964. The total expenditure incurred on the portion of work debitable to the P. A. F. was Rs. 9,69,180 (W.O. 7,87,951 + D.C. 1,81,229) out of which a sum of Rs. 8,81,710 has been deposited by the P. A. F. earlier. They have now paid the balance of Rs. 87,470—vide Executive Engineer, Warsak High Level Canals Division No. 1, Peshawar cash receipt No. 70/65, dated 29th May, 1964, which has been accounted for in the monthly account for May 1964 of that Division. Under the circumstances no disciplinary action against any officer was called for.

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

(22) Page 109—Paragraph No. 8 Grant No. 13—Loss of stock—According to the Audit Stock material worth Rs. 3,043 were washed away during the floods of 1950. No report of the loss was made to Audit as required under the Rules. The amount was merely debited to the suspense head "Misc. P. W. advances" in February and March, 1951 pending recovery for write off.

The Department explained that on 2nd of September, 1950 there occurred a maximum record flood in river Ravi which damaged very badly the building material stored in Darkhana Section. Due to unexpected abrupt rise in flood levels the stores were deteriorated and were damaged and could not be salvaged. It was a natural calamity beyond human control therefore none was responsible for loss due to negligence, etc. The actual cost of these stores washed away by floods was estimated as Rs. 3,043. The total amount has since been written off.

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

(23) Page 109—Paragraph No. 9—Grant No. 13—Over payment—In the Public Works Department in former Government of Sind, the departmental officers were delegated powers in 1931 to allow rates in excess of those provided in the agreement with the contractors after accepting their tenders. According to the Audit as a contract was a legal document no addition or alteration in the rates was permissible after its execution. The defective provision in the rules was pointed out to the Government by Audit in September, 1958, and as a result thereof the delegations made to the Departmental officers were cancelled without giving it retrospective effect.

In an individual case, a payment of Rs. 20,000 was allowed to a contractor in a Public Works Division of Irrigation and Power Department in August, 1961, which showed that because of the defective provision in the rules large amounts had been overpaid in the past 30 years. The overpayment of Rs. 20,000 was justified by the Department on the plea that the departmental officer had allowed the higher rates prior to the cancellation of the order.

As the payment was made after pre-audit by the Audit Office, Hyderabad, and verified by Audit, the para was dropped.

(24) Page 214,—Paragraph No. 5 Annexure—Loss of Government cash—In this case, 3 lac bricks belonging to Government were said to have been removed from the kiln by a contractor without any authority from the Department the cost of which could not be recovered from him.

The Department explained that in fact tiles and not the bricks were burnt at the kiln and these were not removed but taken on stock return.

As Audit has verified the factual position, the para was dropped.

(25) Page 214, Paragraph No. 6—Annexure—Loss of steam coal in transit—In this case, two wagons of steam coal were indented, but one of them were lost in transit which resulted in loss to Government.

The Department explained that one wagon was lost in transit and the payment for that wagon was held up, but the firm filed a suit in the Court of Law. The Court decided the matter in favour of the firm. The payment was made under orders of the Government.

The para was dropped.

(26) Page 214,—paragraph No. 7—Annexure—Shortage of store—This paragraph is a repetition of para 17(i) of 1951-52 hence deleted.

(27) Page 214, paragraph No. 8 (i)—Annexure—Excess payment—In this case, excess payment of Rs. 10,600 was made to a contractor by allowing excessive lead for carriage of bricks and tiles.

The Department explained that the kiln was situated on the right side of Abbasia Canal and was separated from the Abbasia Canal by a Diversion Channel which used to run in between. The road along Abbasia Canal is on the left bank. To facilitate carriage of bricks and tiles a bricks paved road was constructed under orders of Deputy Chief Engineer. Bricks and tiles were carried along this route on various dates for which carriage charges were paid.

The explanation was found satisfactory and the para was dropped.

(28) Page 214, Paragraph No. 8(ii)—Annexure—Excess payment—Converted into draft para No. 17 (a) 194 and incorporated in the Appropriation Accounts for 1961-62.

(29) Page 215—Paragraph No. 10—Annexure—Outstanding rent of Government buildings—Converted into Draft Paragraph 17(a) 43 and incorporated in the Appropriation Accounts 1960-61.

(30) Page 215, paragraph 11—Annexure—Fraudulent payment—Converted into Draft paragraph 17 (a) 149 and incorporated in the Appropriation Accounts, 1961-62.

(31) Page 214, Paragraph 9 Annexure—Non-obtaining of security deposit—Converted into draft Paragraph 17(a) 35 and incorporated in the Appropriation Accounts for 1961-62.

(32) Page 215, Paragraph No. 12—Annexure—Overpayment to contractor amounting to Rs. 4,66,299—In this case, according to the Audit, the work of raising and strengthening a river bund and let out had been done by private negotiations. The work done was defective and the Superintending Engineer ordered to reduce the rate of the work by Rs. 3 which was to be paid when the defects in the work were rectified by the contractor. The bad work was never rectified by the contractor, but the payment at full rates were made to him. Moreover false measurements of the borrowpits were taken by the Sub-Divisional Officer, these resulted in an overpayment of Rs. 4,66,299.

The Department explained that the contractor was paid at full rates only in the final bill after defects had been removed. The false borrowpits were dug by the contractor. These were noticed and measurements recorded, but were not paid for.

The Committee dropped the para subject to verification of factual position by Audit.



Page 3, Paragraph 5—Serial No. 15—Head—“Other Revenue Expenditure connected with Electricity Schemes”—

	Rs.
Grant	27,330
Saving	27,330

According to the Department the expenditure were incurred but adjustment in the accounts could not be carried out in the year 1959-60 as the Electricity Branch had already been transferred and there were no specific orders for the booking of this expenditure. The amount was booked in the accounts of the subsequent year.

The explanation was found satisfactory and the para was dropped.

IV. The Committee then adjourned to meet again on 28th October 1966 at 10.00 a.m.

LAHORE :

The 26th October, 1966.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.



**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS, HELD ON 28TH OCTOBER, 1966 AT 10-00 A.M. IN  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE**

**I. The following were present :—**

- |   |   |
|---|---|
| (1) Mr. Zain Noorani, M.P.A.  | .. Chairman.  |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. Member.  |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.   | Member.   |
| (4) Rai Mansab Ali Khan Kharal, M.P.A.  | .. Member.  |
| (5) Mr. Malang Khan, M.P.A.   | .. Member.  |
| (6) Mr. Asif Rahim, C.S.P., and Syed Akhlaq Hussain,<br>T.Q.A., C.S.P., Additional Secretaries to<br>Government of West Pakistan, Finance Department. | Expert Advisers.  |
| (7) Raja Muhammad Yasin, P. A. & A. S., Accountant-General, West Pakistan.  | By invitation.  |
| (8) Mr. Shafi-ur-Rehman, C.S.P., Secretary to Government of West Pakistan, Law Department alongwith Assistant Advocate-General.                       | By invitation (at the time of consideration of items relating to their respective Departments). |
| (9) Malik Abdul Latif, C.S.P., Secretary to Government of West Pakistan, Education Department.  |   |
| (10) Mr. Masud-ur-Rauf, C.S.P., Joint Secretary to Government of West Pakistan, Information Department.   |   |
| (11) Mr. S. M. A. Kazmi, T.Q.A., C.S.P., Secretary to Government of West Pakistan, Food Department.   |   |
| (12) Chaudhri Imtiaz Ahmed, C.S.P., Additional Secretary, Excise and Taxation, Board of Revenue.  |   |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary of the Committee.

**II. The Committee considered explanations of the following Departments in respect of the items appearing in the Appropriation Accounts for the year 1959-60.—**

**LAW DEPARTMENT**

*Page 47.—Paragraph—30.—Misappropriation of Government money.—*A case of embezzlement of Rs. 44,167 against an Assistant was reported to the Police by the departmental authorities in February, 1960. Subsequently the total amount mis-appropriated by him worked out to Rs. 64,949. This represented mostly the amounts received in cash from the various Departments of the Government for filing appeals in the High Court. The official committed suicide. The misappropriation was facilitated, according to Audit Department, due to lack of supervision and the non observance of rules as printed receipts were not issued in acknowledgment of the amounts received as required under rules not the same were accounted for in the cash book.

The Law Department at the meeting of the Committee, held on 16th April 1966, had stated that as the official involved in the case had committed suicide, no action could be taken against him. It was further stated that the Law Department had moved the Finance Department to write off the amount. The Committee then

desired that before the amount was written off, the Law Department should take all the facts into consideration and try to recover the amount and report the action taken to the Committee.

The explanation now submitted by the Law Department was that the Deputy Commissioner, Lahore, in response to a reference made by the Department had intimated that though there was no property in the name of the deceased in the revenue records of his village yet certain sources revealed that he possessed a piece of land in Tehsil Chunia. A report in this connection was awaited from the Tehsildar concerned. It was further stated that there is no likelihood of any misappropriation in future as regular receipts over the signatures of Law Officers are issued now.

The Law Secretary supplemented the explanation furnished to the Committee by saying that the then Advocate-General had authorised in writing his Assistant to receive from other Departments money in cash for filing of appeals on behalf of Departments. This was something not warranted by the Rules, and it had been repeatedly pointed out by the Accountant-General that Rules were being by-passed.

The Committee observed that if what the Department now said was correct it was the Advocate-General, who had authorised the system of receiving money in cash from other departments, who should have been held responsible for authorising an irregular system and subsequently in spite of knowing that he had authorised something irregular and risky, never bothered to check up and supervise as to whether the money received in cash was being properly utilised. But nothing was done to fix the responsibility on him and till now the Department had all along mentioned only the junior official. The Committee felt it regrettable that it was generally the small fry on whom the responsibility is placed by the Departments and intentionally or otherwise the higher ups are shielded.

The Committee learnt with dismay that the system of depositing the money in cash for court fees etc., was still continuing and urged the Department to take remedial measures to put an end to this system.

Subject to the above observations the para was dropped.

#### EDUCATION DEPARTMENT

(1) Page 48.—*Para 17-II-Audit of grants-in-aid*—This item was last considered by the Committee at its meetings held on 24th November, 1965 and 18th April, 1966. The audit observation was that the certificate to the effect that the grants-in-aid were spent on the objects for which they were meant and in accordance with the prescribed conditions had not been furnished by the Defunct Directorate of Public Instructions to the Audit. At the meeting, held on 24th November, 1965, the Department had stated that the requisite certificate had been furnished to the Audit. The Committee had, however, desired that the Education Department should supply a list of the institutions which had not utilized the grant according to the conditions laid down or had failed to utilize the grants allocated to them. At the meeting held on 18th April, 1966, amounts of unspent grants for Peshawar, Sargodha, Multan and Lahore regions were intimated but the figures for Quetta and Karachi regions were not supplied as the same had not been received by the Department. The Committee then directed that efforts should be made to make these figures available at the next meeting.

It was now stated on behalf of the Education Department that the following Local Bodies could not utilize grants-in-aid given to them by that Department in full according to the prescribed conditions:—

<i>Serial No.</i>	<i>Name of Local Body</i>	<i>Unspent balance.</i>
1	District Council, Gujrat .. ..	67,328·00
2	District Council, Rawalpindi .. ..	53,380·00
3	District Council, Jhelum .. ..	85,187·00
4	District Council, Campbellpur .. ..	1,65,062·00
5	Town Committee, Miani .. ..	1,781·00
6	Municipal Committee, Khushab .. ..	166·00
7	Municipal Committee, Bhara .. ..	685·00
8	District Council, Multan .. ..	66,508·00
9	Municipal Committee, Okara .. ..	40,000·00
10	Municipal Committee, Dera Ghazi Khan .. ..	6,374·00
11	Municipal Committee Sadiqabad .. ..	12,713·00
12	Municipal Committee, Khanpur .. ..	1,668·00
13	Municipal Committee, Bahawalpur .. ..	810·00
14	Municipal Committee, Chistian .. ..	1,292·00
Total .. ..		5,02,954·00

The Committee felt that the Department has as yet not furnished complete information as to the reasons why the local bodies did not spend the amount of grants-in-aid. The Committee decided that this item should come up before it when it considers the accounts for the year 1960-61, when detailed reasons why each of these local bodies could not spend the amount, and whether adjustments were made in the following year should be reported.

(2) *Page 54-Paragraph-17-VII-Delay in Disposal of Inspection Reports and Audit Notes*—In this case the audit observation was that certain Inspection Reports and Audit Notes had not been replied to by the Education Department.

At its meeting, held on 24th November, 1965, the Committee was informed that all but one Inspection Reports and Audit Notes had been replied to. The Committee then directed that the Department should take suitable action against the officers responsible for delay in replying to these Inspection Reports and Audit Notes and that appropriate steps should be taken to trace the record connected with the outstanding case which according to the Department was not traceable.

On 18th April, 1966 the Committee was informed that only one outstanding Audit Note had been replied to but no action could be taken against any officer. The Committee impressed upon the Department that proper action should and must be taken against the officers concerned at the earliest. The Accountant-General was asked to remind the Comptroller, Southern Area to supply to the Department a list of the institutions which had not replied to the Audit Notes in time.

The Committee was now informed that action had been taken against 108 officers and action against some more officers was being taken by the Directors concerned.

The para was dropped.

(3) *Page 3-Paragraph 5-read with page 208 Grant No. 42-Loans and Advances by the Provincial Government-A-3 Advances to students of former Bahawalpur State (Saving—Rs. 1,300)*—In this case an amount of Rs. 1,300·00 allocated for awarding loans to students had remained unspent. The Department at the meeting of the Committee, held on 24th November, 1965 had stated that the amount could not be utilized as the cases of awarding loans to students could not be finalized due to non-availability of suitable candidates. The Committee not being satisfied with this explanation recommended that action should be taken against the officers responsible for the saving of this amount. At its meeting, held on 18th April, 1966, the Committee was informed that official report regarding fixing of responsibility was awaited by the Department from the Director of Education and that as soon as the report was received from him, necessary action would be taken against the officer at fault. The Committee was not satisfied that suitable candidates were not available and asked the Department to furnish full details of the steps that had been taken to find out suitable candidates.

As the information required by the Committee with regard to the efforts made to find suitable candidates was not furnished in this meeting, the Committee directed that this item should come up again before it on 3rd of November, 1966, when the Department promised to furnish the necessary information.

(4) *Page 3-Paragraph 5 read with page 158-Grant No. 27-Industries A—Industries—other than A-3-(e) (Saving of Rs. 2,82,562) (pertaining to technical education)*—It was stated on behalf of the Department that the reasons for this saving had been asked for from the concerned institution and that the necessary information would be furnished on the 3rd November, 1966. The Committee deferred the consideration of this item to 3rd November, 1966.

#### INFORMATION DEPARTMENT

(1) *Page 5-Paragraph 8 read with page 146, Grant No. 19-Head 36 "Scientific and Miscellaneous Departments—P-2—B. N. R. (Excess Rs. 20,728).—*

(2) *Page 3—Paragraph 5 read with page 197-Grant No. 36-Head 57—Miscellaneous J-17—Director B.N.R. "Saving Rs. 65,952.—*In this case there was an excess of Rs. 20,728·00 under the first head and a saving of Rs. 65,952·00 under the second. At the meeting held on 19th April, 1966, the Department had stated that the saving of Rs. 45,224·00 (65,952—20,728) was due to the fact that additional grant was sanctioned by the Finance Department at the close of the financial year and as such the amount could not be utilized fully. The Committee asked the Department to furnish detailed information.

The Department now explained that the Finance Department had permitted the Bureau of National Reconstruction to incur expenditure on contingencies to the extent of Rs. 1,19,700 in anticipation of provision of funds.—*vide* Finance Department's U.O. No. 1646-Exp. (H)/59, dated 1st July, 1959, and U.O. No 2787-Exp. (H)/59, dated 7th October, 1959. The Bureau of National Reconstruction submitted the revised estimates for contingencies for Rs. 1 lakh on 18th April, 1960. The Finance Department's sanction No. 464-B (IV) 60, dated 3rd June, 1960, accepting the figures of revised estimates for 1959-60 was received at the close of the year on 11th June, 1960.

Of the provision of Rs. 1 lakh made in the revised estimates, actual expenditure was Rs. 12,440. The anticipated expenditure was Rs. 87,560 (Rs. 87,600 in round figures) as detailed below :—

	Rs.
(1) Purchase of Furniture .. .. .	2,000
(2) Telephone Charges .. .. .	1,500
(3) Postage and Service stamps .. .. .	800
(4) Books for Library .. .. .	3,000
(5) Purchase of Newspapers .. .. .	1,000
(6) Purchase of Typewriters .. .. .	10,000
(7) Entertainment charges .. .. .	1,000
(8) Cost of petrol and upkeep charges .. .. .	2,000
(9) Hire of Typewriters .. .. .	800
(10) Hire of Jeeps .. .. .	3,000
(11) Cost of Vehicles .. .. .	15,500
(12) Miscellaneous .. .. .	2,000
(13) Honoraria to writers, authors, Intellectuals, artists, public speakers, theologists and educationists .. .. .	5,000
(14) Cultural activities, study and discussions groups .. .. .	10,000
(15) Seminars and essay competition .. .. .	30,000
<b>Total .. .. .</b>	<b>87,600</b>

The circumstances resulting in overall saving of Rs. 45,224 were as under—

- (i) The Finance Department's sanction No. 464-B-IV-60, dated the 3rd June, 1960, accepting the figures of revised estimates for 1959-60 was received at the close of the year on 11th June, 1960; as such the amount could not be utilized fully during the remaining period of the year.
- (ii) The major items of anticipated expenditure shown at items 1, 4 and 6 viz., furniture, books and typewriters of the type required could not be procured in a short period of two months of that year.
- (iii) The Bureau of National Reconstruction made vigorous efforts to fulfil the purposes for which items at serial No. 13, 14 and 15 were provided for in the revised estimates but the parties concerned failed to live up to their promises to participate or contribute. Articles and scripts because apparently they gave priority to other engagements.

- (20) The Bureau of National Reconstruction showed a saving of Rs. 45,224 in good faith instead of spending it haphazardly and in haste without due regard to the propriety of the expenditure which would have resulted in waste of public money.

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

(3) Page 5, paragraph 8 read with page 146—Grant No. 19-Head 36-Scientific and Miscellaneous Departments-P-1—Public Relation—Excess Rs. 1,78,943—In this case there was an excess of Rs. 1,78,943 over the final grant. At the meeting held on 19th April, 1966, the Department had stated that the excess was due to the fact that the debit on account of the price of six Land Rovers, two Bedford Vans and one Chevrolet Car imported from abroad during 1957-58 was raised by the Central Government during 1959-60. The Committee had then desired to know the date of delivery of these vehicles as well as the date of raising the debit.

The Department now stated that these vehicles were delivered on 22nd November, 1957; 15th February, 1958, and 13th May, 1959, respectively, and that the information about the date on which the debit was raised by the Central Government was awaited from the Audit Officer, Industries, Supplies and Food, Karachi.

The Committee now felt that it was not necessary to know exactly when the debit was raised because it does happen often that debits are raised by the Central Government after a good deal of time. The para. was, therefore, dropped.

## EXCISE AND TAXATION AND REHABILITATION DEPARTMENTS

As the Secretary to Government incharge of these Departments was reported to be indisposed and could not attend the meeting, consideration of items relating to these Departments was deferred to 3rd November, 1966.

## REVENUE DEPARTMENT

As the Member, Board of Revenue who is Administrative Secretary of the Revenue Department was not present, consideration of the items pertaining to this Department was deferred to 31st October, 1966.

## FOOD DEPARTMENT

III. The Committee then took up the consideration of the explanations of the Food Department in respect of the following outstanding items relating to the Appropriation Accounts for the year 1957-58 :—

- (1) Page 39, paragraph 17 (c) (22) (1)—Excess payment of Rs. 3,64,814—In this case the register of deposit in an office of Food Department showed excess refund to the extent of Rs. 3,64,814 to the various supplier of Food Grains.

According to the Department, there was no excess refund but misposting or misclassification. The details of misposting/misclassifications to the tune of Rs. 2,78,168 had already been traced out and verified by Audit. The transactions aggregating to a further sum of Rs. 16,243 had been worked out but the reasons thereof were yet to be ascertained. Vigorous efforts were being made to trace out the old record pertaining to the year 1952-53 onward and to locate the transactions for the remaining amount of Rs. 70,403.

The Committee desired that the Department should make another effort to trace out the entries relating to the balance amount of Rs. 70,403 which the Department had until now failed to trace out and decided to consider this para. again when the Accounts for the year 1960-61 are being considered by it.

- (2) Page 40, paragraph 17 (c) (26) (i)—Outstanding recoveries Rs. 13,80,028—In this case the recoveries amounting to Rs. 13,80,028 were reported to be outstanding against

various contractors. The contention of the Department was that the correct recoverable amount was Rs. 13,54,653. Out of this amount, Rs. 5,69,006 had been recovered and verified by Audit, Rs. 12,399 had been written off by Government as irrecoverable, another sum of Rs. 7,589 was proposed to be written off because suits filed in this connection had been decreed against Government and cases involving Rs. 7,65,659 were pending.

The Committee observed that if the cases still under litigation in which the amount involved is Rs. 7,65,569 are lost in the Court and the Department goes up for the write off of this amount, responsibility should be fixed for the lapse, if any, on the part of Departmental officers and suitable disciplinary action taken accordingly.

Subject to this, the para. was dropped.

(3) *Page 40, paragraph 17 (c) (26) (iv)-Outstanding Recoveries—Rs. 29,000—*In this case, a Zamindar to whom an agency for procurement of wheat had been given and 90 per cent advance payment was made, made short supply of 600 bags of wheat and at the same time failed to return 5,400 empty bags. The remaining 10 per cent payable amount, security deposit, commission and quality allowance proved insufficient to make good the recovery of Rs. 29,000.

In the written explanations the Department had stated that the defaulter had filed a declaratory suit which had been decreed against the Government by the Senior Judge, Karachi and that an appeal was filed in the Court of District Judge, Karachi, on 1st July, 1965.

In the oral examinations, Secretary, Food, informed the Committee that the appeal filed before the District Judge, Karachi, had also been lost and that the Department intended to take up the case to the High Court or had already taken it up.

The Committee desired to know the grounds and reasons leading to the loss of the case in the Court of Senior Judge, Karachi and the District Judge, Karachi and the grounds on which it was considered advisable, or is considered advisable, to file the appeal in the High Court. As this information was not readily available with the Department, the item was deferred to be taken up again along with the accounts for 1960-61.

IV. The Committee then adjourned to meet again on 29th October, 1966 at 10.00 A.M.

LAHORE :

The 28th October, 1966.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 29TH OCTOBER, 1966 AT 10-00 A. M.  
IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.

I. The following were present :—

- |  |                 |
|--|-----------------|
| (1) Mr. Zain Noorani, M.P.A.   | .. Chairman.    |
| (2) Chaudhri Muhammad Nawaz, M.P.A.  | .. Member.      |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.  | .. Member.      |
| (4) Rai Mansab Ali Khan Kharal, M.P.A.   | .. Member.      |
| (5) Mr. Malang Khan, M.P.A.  | .. Member.      |
| (6) Mr. Mukhtar Masood, T.Q.A., C.S.P., Secretary to Government of West Pakistan, Finance Department.  | Expert Adviser. |
| (7) Rana Muhammad Yasin, P. A. & A. S., Accountant-General, West Pakistan.   | By invitation.  |
| (8) Syed Akhlaq Hussain, T.Q.A., C.S.P., Mr. Asif Rahim, C.S.P., Additional Secretaries and Mr. G. D. Memon, Joint Secretary, Government of West Pakistan, Finance Department. | By invitation.  |
| (9) Mr. M.H. Toosy, Secretary to Government of West Pakistan, Health Department along with Directors.  | By invitation.  |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan, acted as Secretary of the Committee.

II. The Committee considered the explanations of the following Departments in respect of the items appearing in the Appropriation Accounts for the year 1959-60.

### HEALTH DEPARTMENT

(1) Page 3, paragraph 5 read with pages 150—152, Grant No. 21, Health Services. Final Grant Rs. 4,83,30,100. Saving Rs. 58,76,718—The saving of Rs. 41,06,332 was satisfactorily explained by the Department in the meeting held on 16th April, 1966. The Committee had asked for further details in respect of the remaining saving.

The Department explained the remaining saving under the following items:—

(i) *Non-purchase of articles for want of sanction, Rs. 5,28,101*—The Department stated that they could trace the record relating to Rs. 1,32,000 only out of the amount of Rs. 5,28,101. This amount could not be spent because Liaquat Medical College could not purchase certain equipment for want of sanction of the Finance Department. The Department explained that on account of the reorganization of the Department, the office of the Director of Health Services, West Pakistan, Lahore, disappeared and the record of the Deputy Director, Hyderabad was distributed between Hyderabad and Khairpur and on account of the distribution of record the remaining files were not traceable.

The Department could not produce any record in support of their contention in respect of sanction of Finance Department. The Committee felt that it was absolutely necessary for the Department to trace out all the record and to give a plausible explanation of the large amount of saving. The Committee felt that this was a very serious matter. In a country like ours where poverty and squalor are in abundance and the Government was doing its best to meet the



medical requirements of the people, a large sum of money provided by the Government for purchase of medical equipment was not utilized and the equipment not procured. The surrender of such large amounts clearly proves that there is something wrong with the "Health" of the Health Department, and that the necessary health service is not being provided to the people on the scale and in the manner envisaged by the Government.

The contention of the Department that sanction of the Finance Department was necessary did not appear to be correct to the Committee. Finance Secretary pointed out that once the funds were provided by the Finance Department under the delegation orders, the purchase of necessary material rested with the Department itself and, therefore, the responsibility for non-purchase must rest with the Administrative Department themselves.

The item was deferred to be taken up again along with the accounts for 1960-61 when full details shall be furnished by the Department.

(ii) *Non-payment of grant-in-aid to the Local Bodies of the former Bahawalpur State, Rs. 97,070*—The Department stated that out of this amount a saving of Rs. 22,000 was due to non-receipt of claims from subsidised dispensaries and the remaining saving of Rs. 75,000 was due to non-issue of authority by Accountant-General's Office.

It was pointed out by the Finance Department that the allocation for this purpose was Rs. 50,000 and that the Health Department had asked for an additional amount of Rs. 75,000 for this purpose, but the Finance Department refused this, whereupon the Health Department themselves reappropriated Rs. 30,000 from Peshawar, Hyderabad, Khairpur and Rawalpindi Divisions, and another sum of Rs. 45,000 from somewhere else (the particulars of which the Department was not in a position to furnish). As the reappropriation was not in accordance with the rules, the Accountant-General did not issue authority for the payment of this amount of Rs. 75,000.

The Committee observed that the reappropriation of Rs. 75,000 meant that there was a saving somewhere or the other and that saving was being sought to be utilized for this purpose. The question, therefore, arose as to what was the sub-head under which a saving of Rs. 75,000 had occurred. The Health Department was not able to give any answer to this question. The excuse was that due to reorganization of the Department, the records were not available. The Committee directed the Department to get further details and decided to take up the matter again when the accounts for the year 1960-61 are examined.

(iii) *Less utilization of scholarship due to failure of students, Rs. 21,020*—The Department explained that an amount of Rs. 2,288 was saved due to non-availability of students in Quetta Region for training as Dispensers and an amount of Rs. 6,138 was saved due to non-payment of scholarships to the students of Nishtar Medical College and King Edward Medical College because they remained away from classes.

No explanation was forthcoming for the remaining amount of Rs. 12,594. The Committee directed that the Department should furnish the necessary explanation for the non-utilization of Rs. 12,594 when the accounts for the year 1960-61 are taken up.

(iv) *Stores having not been purchased from U. K., Rs. 9,89,400*—The Department stated that the High Commissioner in U. K. has intimated that stores worth only £186 were purchased during the year which according to the Department meant that the entire allotment for the year for purchases in U. K. remained unutilized.

The Department was not in a position to state whether an indent had actually been placed with the Pakistan High Commissioner in U. K. and, if so, when

that was placed. This item also was deferred to be taken up again when the accounts for the year 1960-61 are being considered when the Department should come up with full details in the matter.

(v) *Non-surrender of funds, Rs. 1,34,815*—In the previous meeting the Department had stated that this saving was due to non-surrender of funds. In the present explanation, it was stated that stores could not be purchased. The Committee decided to take up this item along with the accounts for the year 1960-61 and directed that the Department should come up with a detailed explanation.

(2) *Page 3, paragraph 5, read with page 208—Grant No. 42—Loans and Advances by Provincial Government—Sub-head A-3—Advances to students of Bahawalpur. Saving Rs. 63,940*—Explanation for this saving was not given by the Department in the previous meeting and more time was asked for.

The details showing the causes of saving were not ready with the Department even now and the Department requested for more time to submit the necessary explanation. The Committee acceded to the request of the Department and deferred this item also to be taken up when the accounts for the year 1960-61 are under consideration.

(3) *Page 152—Credit Sales to private persons—outstanding dues*—The Committee at its meeting held on 16th March, 1964 had asked the Department to explain as to why credit sales of Glycerinated Vaccine Lymph were allowed to private persons. The Committee had also asked the Department to intimate the latest position of recoveries.

The explanation of the Department was that credit sales were not made to private persons but were made to local bodies; that these local bodies being outside the Departments of Government are called private persons. As regards the outstanding dues, the Department stated that vigorous efforts were being made to realise the cost of vaccine.

When questioned as to why the Vaccine Lymph had been supplied to Karachi and former Sind at a rate of Rs. 3.12 paise per gram as against Rs. 1 per gram supplied to the rest of the Province, the Department could not furnish any satisfactory reply.

The Committee wished to record its deep shock at this discrimination practised by the Department and wished to impress on the Department that at least in matters of supplying medicines, vaccines, etc., they should remember that all human beings created by God are equal and should be treated alike.

The Department assured the Committee that the practice of supplying Vaccine Lymph at different prices to different areas had been discontinued. The para was dropped subject to verification by Audit.

(4) *Page 7, paragraph 12, read with page 150—Grant No. 21—Health Services Supplementary Grant of Rs. 39,89,600 proving partly or wholly unnecessary—*

(5) *Page 150—Saving Rs. 5,28,101 due to Nonpurchase of articles for want of sanction*—As the Department could not give any satisfactory explanation in respect of the above two items due to non-availability of records and wanted more time to verify the facts, the items were deferred to be taken up along with the Accounts for 1960-61.

## FINANCE DEPARTMENT

*Page 3, paragraph 5 read with page 207—Grant No. 41—Provincial Miscellaneous Investments*—This matter was considered by the Committee in detail in its

meetings held on 25th November, 1965 and 16th/19th April, 1966 where all items except, (1) Provincial Road Transport Board, and (2) Rural Credit Societies were satisfactorily explained. The position in respect of the remaining two items was stated to be as under:—

(1) *Provincial Road Transport Board*—The capital investment of the Provincial Government was Rs. 3,81,18,532 in the books of Accountant-General, West Pakistan and it was Rs. 4,59,30,455.70 in the books of Road Transport Corporation. In accordance with the directions of the Public Accounts Committee, the figures were reconciled and the difference was found to be to the extent of Rs. 77,01,000 as detailed below. This amount was now remained to be adjusted finally by the Accounts Offices on the basis of the information supplied by the Road Transport Corporation.

	Rs.
Comptroller, Southern Area, West Pakistan, Karachi ..	28,88,911
Comptroller, Northern Area, West Pakistan, Peshawar ..	3,52,873
Accountant-General, West Pakistan, Lahore	{ 6,61,760 37,97,456
Total ..	77,01,000

All the outstanding amounts mentioned above are required to be accounted for by the Accountant-General, West Pakistan for which copies of the Administrative Orders are said to have been supplied by the Road Transport Corporation.

(2) *Rural Credit Societies*—The Committee was informed on 16th April 1966 that Government would get dividend on its shares with effect from 1st July, 1964. The Committee desired that the Finance Department and the Co-operation Department should examine the question whether it was possible to obtain dividend from an earlier date.

The Finance Department now explained that the amounts received on account of share participation from Government were passed on by the Punjab Provincial Co-operative Bank Ltd., to the Co-operative Societies through their respective Central Co-operative Bank without charging any interest. The scheme of Reconstruction of Rural Credit and Agricultural Marketing proposed that in order to strengthen the financial position of the primary societies, amount for share participation would be interest free. Accordingly no interest was charged and, therefore, no dividend was declared by the Punjab Provincial Co-operative Bank on the holdings of the Government. The decision to declare dividend on Government share was taken on 8th October, 1964 and the Punjab Provincial Co-operative Bank was advised to declare dividend on Government shares from 1st July, 1964. Under the circumstances, it would not be possible for the Bank to pay dividend for the years earlier than 1964 as no profit or interest was earned by the Bank.

The items were dropped.

III. The Committee then adjourned to meet again on Monday, the 31st October, 1966 at 9-30 A. M.

LAHORE :

The 29th October, 1966.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 31st OCTOBER, 1966 AT  
9.30. A.M. IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILD-  
ING, LAHORE.

I. The following were present :—

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|---|----|--|
| (1) Mr. Zain Noorani, M.P.A.  | .. | Chairman.  |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. | Member.  |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. | Member.  |
| (4) Mr. Malang Khan, M.P.A.   | .. | Member.  |
| (5) Syed Akhlaq Hussain, T.Q.A., C.S.P., Additio-<br>nal Finance Secretary, Government of West<br>Pakistan.                                   |    | Expert Adviser.  |
| (6) Rana Muhammad Yasin, P.A.&A.S., Accountant<br>General, West Pakistan.   |    | By invitation.   |
| (7) Mr. Abu Nasar, C.S.P., Member, Board of Re-<br>venue, West Pakistan and Secretary to Govern-<br>ment of West Pakistan, Revenue Department |    | } By invitation (at<br>the time of con-<br>sideration of items<br>relating to their<br>respective Depart-<br>ments). |
| (8) Mz. Amir Ahmad Khan, S.K., Secretary to Go-<br>vernment of West Pakistan, Agriculture Depart-<br>ment.                                    |    |  |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary of the Committee.

II. The Committee in the first instance took up consideration of the explanations of the Revenue Department in respect of the following items appearing in the Appropriation Accounts for the year 1959-60:—

(1) *Page 40, paragraph 5 (i)—Un-necessary retention of Government money in hand*—In this case out of total Development Fund of rupees ten lakhs allocated for Development Schemes, a sum of Rs. 50,000 was drawn as a permanent special advance in August, 1958. Out of this advance, a sum of Rs. 29,900 was advanced for the execution of certain petty works and the advance was recouped subsequently. The audit observation was that the retention of such a heavy amount as a permanent special advance was irregular. The amount should have been credited to the Fund and redrawn if and when actually required for disbursement.

The Committee at its meeting held on 18th April, 1966 had asked the Department to state:—

- (1) Where was the money kept for four years?
- (2) Whether the permanent advance was authorised and if authorised, by whom?
- (3) Details of the expenditure of Rs. 29,900.
- (4) Details of the works and nature of the works.

The Department now stated that:—

- (i) the money was kept in the National Bank, Abbottabad in the personal account of Deputy Commissioner for incurring expenditure on petty schemes,
- (ii) the Commissioner, Peshawar, authorised the Deputy Commissioner, Hazara to incur the expenditure on emergencies and for execution of the

schemes of important nature in anticipation of the Divisional Board's approval out of the advance of Rs. 50,000 because the weather conditions of the area were of extreme nature and the work in this area was only possible during a few months of summer season. It was, therefore, not desirable to waste time in observing formalities in obtaining approval of the Divisional Development Board for the schemes of local importance and urgent nature. The expenditure on such schemes was, however, later on regularised in Boards meeting.

(iii) and (iv) The details of the expenditure incurred on the Development of Kaghan Valley are as follows:—

	Rs.
(a) Construction of Manakpai Bridge ..	6,000
(b) Construction of 100 Be—Hives for distribution amongst the villagers.	2,100
(c) Bedding for Shorgam Rest House ..	2,400
(d) Sanitary installation of Batta Kundi Rest House.	14,400
(e) Construction of Spurs for Protection Hasan Abad Village land.	5,000
Total .. ..	29,900

The amount in question has since been refunded in the personal ledger account on 22nd October, 1962.

The Audit Department pointed out that the placing of funds in the account of the Deputy Commissioner was irregular and there was every possibility of misappropriation in such cases. The Additional Finance Secretary pointed out that this was the practice, although, irregular, throughout the Province.

The Committee observed that it was not a happy practice because Government money is in this way blocked. The Committee recommended that the Revenue Department should take up this matter with the Finance Department and adopt some way out to provide funds to Deputy Commissioners for expenditure on emergencies and to stop the practice of allowing withdrawal of amount and keeping it in the account of the Deputy Commissioner irregularly.

Subject to the above recommendation, the para was dropped.

(2) Page 118, paragraph 7—*An Embezzlement of Government Money*—In this case out of the amounts collected as fine in the Court of Additional District Magistrate, during the period from January to June, 1948, Rs. 19,704 were less deposited into Government accounts and forged Bank receipts for full amount were posted in the Fine Register. The embezzlement was attributed to the dishonesty of Traffic Ahlmad whose duty was to receive the money and hand it over to the District Nazir.

The accused Ahlmad was tried by a Special Magistrate and convicted under Section 409 P.P.C. and sentenced for 3 years, rigorous imprisonment with a heavy fine. He filed an appeal in the court of the District and Sessions Judge and was acquitted. In the departmental inquiry the official was held guilty and it was recommended that he might be discharged from service but the Deputy Commissioner held that it was not a fit case in which the penalty of discharge should be imposed. The official was, therefore, reinstated.

The Committee felt that in this case no attempt was made to fix responsibility on any member of the Supervisory staff. Obviously, the embezzlement could not have been committed without the negligence of some member of the Supervisory staff.

The item was dropped with the observation that in this case no serious effort was made to fix responsibility when it could very easily have been found out as to whose negligence led to this embezzlement.

III. The Committee then examined the explanations of the Agriculture Department in respect of the following items appearing in the Appropriation Accounts for the year 1957-58:—

*Page, 5, paragraph 5 read with page 249—Grant No. 46—Loans and Advances bearing interest—E-22—Taccavi Advances for digging open wells in non-barrage areas—*This item was originally considered by the previous Standing Committee at its meeting held on 24th May, 1965. In that meeting it was stated that out of the grant of Rs. 25,00,000 for digging open surface wells in non-barrage areas, administrative sanction was accorded for the expenditure of Rs. 4,00,000 only and that too in January, 1958. That Committee recommended action against the officer responsible in the matter.

When the matter was reconsidered by the Committee on 14th April, 1966 it was stated by the Department that on 8th October, 1956, the Central Government accorded sanction for the implementation of the scheme at the cost of Rs. 25,00,000 the whole of which was to be provided by the Central Government on the basis of 50% i.e. Rs. 12,50,000 grant and 50% i.e. 12,50,000 loan. On that basis Government of West Pakistan accorded sanction on 15th August, 1957 for implementation of the scheme during 1957-58. Subsequently in supersession of this sanction, the provincial Government accorded revised sanction on 9th December, 1957 by apportioning the amount under two separate heads of accounts i.e. Rs. 12,50,000 under head "Loans to Municipalities—Port Funds, etc. E-22—Taccavi Advance" and Rs. 12,50,000 under "40—Agriculture—I—Boring Operations—Contingencies", thus revising the grant under the present head to Rs. 12,50,000/. As certain points essential for implementation of the scheme could not be settled before 29th January, 1958 and it was not possible to utilize the entire amount of Rs. 12,50,000 under this head, the grant was proposed to be revised to Rs. 5,00,000 and Finance Department informed the Agriculture Department that further amount of Rs. 7,50,000 would be allowed as regrant during 1958-59. Finally an amount of Rs. 4,37,500 only was provided through Revised Estimates. As against this amount the Department spent Rs. 4,94,790 and not Rs. 3,68,750 as mentioned in the Appropriation Accounts. The Accountant-General wanted details of the expenditure of Rs. 4,94,790 because his record showed a saving.

It was then pointed out by Finance Department that the original scheme of digging 1,000 wells was revised and the revised scheme provided for digging of 300 wells only.

The Committee then decided that full details regarding subsequent revision of the scheme during 1957-58 and the figures of total expenditure during subsequent years out of Rs. 25,00,000 provided by the Centre should be placed before the Committee at its meeting to be held on 15th April, 1966.

As the Agriculture Department could not furnish the said information on 15th April, 1966, the Committee directed that the Department should furnish to the Committee complete figures of expenditure under head "R—Loans and Advances—E-22" and "40—Agriculture" separately for the year, 1957-58 and 1958-59 and also state the number of wells dug during these two years at the next meeting.

The Department now stated that the expenditure incurred under head "R—Loans and Advances—E-22—Taccavi Advances for digging of open wells" and

"40—Agriculture" separately during the year 1957-58 and 1958-59 was as below:—

	40—Agriculture			Loans and Advances		
	1957-58	1958-59	Total	1957-58	1958-59	Total
Final Allotment.	3,75,000	8,12,500	11,87,500	4,37,500	6,81,880	11,19,380
Expenditure ..	3,63,750	8,47,500	12,11,250	4,93,750	5,05,625	9,99,375
Excess (+) ..			+ 23,750			—1,20,005
Saving (—)						

The overall position of the wells was stated to be as under:—

Name of Region	Total No. of Wells to be dug.	Wells dug during 1957-58	Wells dug during 1958-59	Balance
Lahore ..	350	93	230	27
Hyderabad ..	340	18	210	112
Peshawar ..	310	156	153	1
Total ..	1,000	267	593	140

The Department was not able to furnish details of the expenditure incurred. According to their statement, Rs. 2.50 lacs had been spent in the Quetta-Kalat Region whereas the Director of Agriculture, Quetta-Kalat Region had informed the C.S.A. that only Rs. 1.55 lacs had been spent. The variation had not been explained nor the reconciliation of figures had been made with the Comptroller, Southern Area. In the circumstances, there was no alternative but to defer the consideration of item till next meeting. The Committee directed that the Department should come fully prepared after having reconciled their figures with the Comptroller, Southern Area. The Director, Quetta-Kalat Region should also be asked to appear before the Committee with all the necessary records when the matter comes under consideration.

(2) Page 33, Item (1)—*Shortage of Wheat seeds*—In this case nil balance of wheat seed was shown in the stock ledger of an office of the Agriculture Department whereas the actual calculation from various registers showed a resultant balance of 2,144 maunds and 10 seers. Thus the wheat seed costing approximately Rs. 26,000 remained unaccounted for. The reasons for the shortage and the results of investigations into the matter, if any, had not been intimated to Audit.

In the meeting of the Committee held on 14th April, 1966, the Agriculture Department had contended that the shortage was to the extent of 87 maunds only which occurred due to theft for which a case had been registered with police. As the difference in shortage had not been reconciled with the Audit, the Committee asked the Department to get in touch with the Comptroller, Southern Area for verification and after verification submit a report to the Committee.

The Department now stated that the Comptroller, S.A., Karachi's party visited the EADA's office on 18th April, 1966 and rechecked the Accounts. They have now reported of—

(A) Non-accounting of 44 maunds 30 seers.

(B) Shortage by N.O.C. Agents of 148 maunds 9 seers of which the break up, according to the Department, is as under:—

(i) 61 maunds, 9 seers loss shown by N.O.C. Agents recoverable from Agents.

(ii) 87 maunds loss by Agriculture Assistant due to theft.

(1) With regard to the shortage of 44 Maunds 30 seers of wheat seed, the Department stated that the DDA, Hyderabad, after making necessary enquiries has produced documentary evidence of non-accrual of shortages of the said quantity and the record would sent to the Comptroller for verification.

(2) Regarding theft, the Department stated that the report of theft was lodged, but the accused was acquitted. In view of this E.A.D.A. is being directed to apply for the write off of the shortage as per provision of rules.

(3) The remaining amount, according to the Department was being recovered.

The para was dropped subject to further recovery and write off and their verification by the Audit.

(3) Page 34, item (ii) 4—*Cost of 60 maunds of wheat*—In this case 60 maunds of wheat were issued to a villager on barter system but no recovery was made.

This item was considered by the Committee at its meeting held on 14th April, 1966, when the Department was asked to intimate up-to-date position of the case on 15th April, 1966 but on 15th April 1966, the Department expressed its inability to intimate further details. The Committee had, therefore, to defer the consideration of this item.

The Department now produced a letter bearing No. O.A.C. 17-4/Agr/Vol.II/924, dated 24th October, 1966, from the Comptroller, Southern Area, West Pakistan confirming that the recovery of 60 maunds of wheat from the defaulters had been made and the amount credited to the Government Account in March, 1956.

In view of this, the para was dropped.

(4) Page (34), Item 5—*Losses of Store*—The following eight cases of financial irregularities were involved in this item.

(i) *Paddy Seed*—7 maunds and 30 seers shown as damaged—

The Department informed the Committee that the Comptroller, Southern Area, Karachi had been approached to effect the recovery from Mr. Abdul Aziz Rizvi who was held responsible for this. The Committee was further informed that his salary had been held up by the Comptroller for want of approval by the West Pakistan Public Service Commission. As the amount was being recovered, the item was dropped subject to full recovery.

(ii) *Empty Gunny Bags*—637—*Less accounted for*—The Department stated that enquiry had revealed that the reported shortages pertain to the following offices:—

(1) 109 Bags in the office of A. A., Shikarpur.

(2) 468 Bags in the office of A. A., Jacobabad.

(3) 12 Bags in the office of A. A., Larkana.

(4) 48 Bags in the office of A. A., Mehar.



As regards 109 bags it was stated that the recovery was in progress and Rs. 141.87 had been recovered from Mr. A. Malik Sheikh. Subject to verification of the recovery by the Audit, the item was dropped.

Regarding 468 bags, the Department stated that there is no such shortage as the material had been properly accounted for. The Accountant-General had asked the C. S. A. to verify the position. The item was deferred to be taken up alongwith the Accounts for the year, 1960-61.

As regards 12 bags, the Department stated that Mr. Dur Muhammad Baloch, the retired Overseer has been held responsible and is being pursued for the payment. Subject to verification of the recovery by the Audit, the item was dropped.

As regards 48 bags, the Department stated that the records were being traced to fix the responsibility. The item was deferred to be taken up alongwith the Accounts for the year, 1960-61.

(iii) *Paddy Seeds—190 maunds—not accounted for*—The Department stated that the entire quantity had been properly accounted for and sales proceeds remitted. Subject to verification by the Audit, the item was dropped.

(iv) *Fertilizer—448 bags—not accounted for*—According to the Department the check of A. A. Khairpur Nathan Shah Stores Books disclosed that 448 bags was entered in store ledger page-I wherefrom it was transferred to L-4 Page 1. Hence there was no shortage.

The explanation was found satisfactory and the item was dropped.

(v) *Fertilizer—2,540, bags—not accounted for*—The Department stated that this shortage did not occur at all. Subject to verification by the Audit, the item was dropped.

(vi) *Paddy seed—1,173 bags—shown as sold but cost awaiting recovery*—It was stated by the Department that the money value of 1,173 bags of paddy seed, i.e. Rs. 5,131, as given by the Audit Department seems to be incorrect. Obviously, it was something else and not paddy. This point had been taken up by the Department with the Audit. The item was deferred to be taken up along with the accounts for the year 1960-61.

(vii) *Paddy seed—239 Mds. 13 seers and 79 bags—Shown as lost*—As regards 79 bags; the Department contended that there was no shortage. The Committee directed that the Audit Department should verify it.

Out of 239 maunds and 23 seers, 56 maunds of paddy seed had been written off. The Department also produced a letter 19th August, 1966 from the Director of Agriculture, Hyderabad Region to the Deputy Director of Agriculture, Hyderabad asking him to recover the cost of 183 maunds from the concerned official. The Committee observed that the recovery could not be made without holding a formal enquiry and fixing the responsibility on some official. This order itself was faulty as the Director should have ordered the Deputy Director to hold the necessary enquiry to fix responsibility and the recovery could only be made after responsibility had been fixed and punishment awarded to the defaulting official. The Committee directed that the Department should ask the Director of Agriculture, Hyderabad to modify his orders. The matter was deferred to be taken up alongwith the accounts for the year, 1960-61.

(viii) *Fertilizer—20 bags—Shown as damaged*—The Department stated that the matter had been taken up with the C. S. A. to verify the correctness of the audit observation. The Committee directed that the Department should make strenuous efforts to trace the records and have the position verified by the Audit. Subject to verification by Audit, the item was dropped.

(5) *Page 34—item (6)—Irregularities*—Under this item there were eleven cases of irregularities out of which 7 had been dropped by the Committee at the meeting held on 15th April, 1966.

The first two cases out of the remaining 4 related to loss of 5 maunds of wheat and shortage of 93 bags of fertilizer.

The explanation of the Department on 15th April, 1966 was that the defaulter had absconded but legal action was being taken to recover the loss from him. The Department admitted that the absconder was transferred to the Agricultural Development Corporation at the time of re-organization, which should be about 1962 to 1963.

The Committee then came to the conclusion that from 7th May, 1959 to 1963 or at least 1962, the defaulter should not have been absconding, and had the Agriculture Department been vigilant, the amount could have been recovered. The loss suffered by the Government dues to in action on the part of the Department for a number of years was clearly the outcome of negligence. The Committee observed that on a number of occasions, it had pointed out to various Departments the necessity for immediate and adequate action for recovery of Government dues in cases of mis-appropriation and defalcation. The explanations given to the Committee from time to time trying to justify delay in tracing the culprits and bringing them to book were generally of a nature, which did not appeal the Committee. The Committee felt that sufficient grounds existed for the Agriculture Department to conduct fresh inquiry as to why efforts were not made to recover this amount in proper time and to find out, who from amongst the supervisory staff was responsible for the delay, and also to examine whether this amount could be recovered from those who were responsible for this delay.

The Department now explained that Mr. Abdul Ghaffar Shah Jilani who has been held responsible has absconded. His dues to the extent of Rs. 12,000.00 are pending on account of differences of pay and recovery will be effected when the same is drawn. The para. was dropped.

Regarding the next two cases, 60 empty gunny bags, issued in excess of actual requirements to Zamindars, cost not recovered so far, and Paddy-Wheat seeds, 12 maunds 19 seers (shown as loss on account of cleaning) and Paddy-Wheat seeds 122 maunds (shown as loss on account of cleaning), the Agriculture Department had stated on 15th April, 1966 that the recovery was being made from the official concerned. The items were deferred when the Director of Agriculture offered to produce the necessary file showing the order passed for the recovery.

The Department now produced the record to the Committee from which it appeared that no regular enquiry under the Efficiency and Discipline Rules had been made and orders, had been passed to recover the amount from the officer supposed to have been in charge of the stores. The Committee observed that the danger is that when a regular enquiry under the Efficiency and Discipline Rules has not been held and recovery is made, the amount may have to be refunded on an appeal preferred by the person concerned.

The Committee observed that the Department should follow the procedure laid down in the Efficiency and Discipline Rules and order recoveries only after all necessary steps have been taken. The Department should take care that in case where an official has retired and as a result of enquiry it is established that loss has been caused to Government and recoveries have to be made from him, the action should be taken under the West Pakistan Pension Rules.

Subject to these observations, the paragraph was dropped.

(6) Page 35, item 7—Under this item there were six cases out of which three had been dropped by the Committee at the meeting held on 15th April, 1966. The Department now gave explanations for the remaining following three cases :—

(i) *Loss of Wheat*—The Department stated that Mr. Zulfiqar Mirza who has been held responsible was being pursued to make payment. The Committee observed that a regular enquiry must be held because the official, who is supposed by the Department to have caused the loss, may not be prepared to pay. The Committee advised the Department to hold a formal inquiry and after fixing responsibility recover the amount.

(ii) *Wheat 100 maunds—Cost not recovered*—The Department informed the Committee that the recovery of 100 maunds of wheat seed valuing Rs. 1,300.00 along with cost of 10 bags valuing Rs. 62.50 had already been recovered from the Zamindar concerned and the sale proceed remitted into National Bank, Nawabshah. This required verification by the Audit. Subject to verification by Audit this sub-item was dropped.

(iii) *Wheat 26 maunds, 17 seers, shown as short*—The matter was reported to be under correspondence between the Department and the Audit. The Committee directed that the Department should furnish necessary information to the Comptroller, Southern Area, and settle the matter.

The item was deferred to be taken up again when the accounts for the year 1960-61 are examined.

(7) *Page 35, item (8)—Shortage and sale on credit*—In this case, a loss of 327 maunds of Paddy Kangni was shown due to reweighment of the original total of 4,680 maunds. The Department stated that deceased Mr. G. H. W., Abassi has been held responsible and that steps are being taken to effect the recovery from his property.

The Committee observed that this loss was pointed out by the Audit in 1957. Mr. Abbasi, who has been held responsible by the Department died in April, 1961. It appeared that no formal inquiry was held from 1957 to 1961, and after the man died, he has been held responsible. From the Committee point of view this was hardly satisfactory and the only thing which was now open to the Department was to move for a write off.

With these observations, the para. was dropped.

(8) *Page 36, Paragraph 10, Shortage of (i) Fertilizer 77 bags, (ii) Cotton seeds, 46 maunds—*

The Committee was informed that responsibility had been fixed and recoveries were being pursued. The Committee observed that in this case also responsibility seemed to have been fixed without following the procedure laid down in the Efficiency and Discipline Rules and desired that Department should follow the rules on the point and fix responsibility after due process.

Subject to the above observation and verification of recoveries by the Audit, the item was dropped.

(9) *Page 36, Para 11, Shortage of (i) Paddy, 479 maunds, 20 seers and Empty Gunny bags, 77—unservicable. (ii) Wheat 2403-14-8 Maunds—*

As regards (i), the Department stated that recovery was being effected from Mr. Abdul Malik Sheikh and Mr. Laique Ahmad respectively. This sub-item was dropped by the Committee subject to the observations made in item (8) above.

As regards (ii), the Department stated that recovery of cost of 62.20 maunds had been made. This part of the sub-item was dropped subject to verification by Audit.

As regards remaining 2,340-34-8 maunds, the Department stated that they had written off 973 maunds and 24 seers and responsibility for the balance of 1,367.10-8 Maunds was being fixed. The Finance Department and the Audit pointed out that the write off was not correct, as action had been taken under rules which were no longer in force. The Committee directed that the Department should look into the matter again and straighten out the case. The matter was deferred to be taken up again when accounts for the year 1960-61 are examined.

The Committee then adjourned to meet again on 1st November, 1966 at 9.00 A.M

LAHORE :

The 31st October, 1966.

}

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 1st NOVEMBER 1966, AT 9-00 A.M.  
IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.

I. The following were present :—

- |   |    |                 |
|---|----|-----------------|
| (1) Mr. Zain Noorani, M.P.A.  | .. | Chairman.       |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. | Member.         |
| (3) Chaudhri Muhammad Sarwar, Khan, M.P.A.  | .. | Member.         |
| (4) Mr. Malang Khan, M. P.A.  | .. | Member.         |
| (5) Syed Akhlaq Hussain, T.Q.A., C.S.P., Additional<br>Secretary to Government of West Pakistan,<br>Finance Department.   | .. | Expert Adviser. |
| (6) Rana Muhammad Yasin, P. A. & A. S., Account-<br>tant-General, West Pakistan.  | .. | By invitation.  |
| (7) Mr. N. A. Chaudhri, P. A. & A. S., Director, Audit<br>and Accounts (Works), West Pakistan.  | .. | Ditto.          |
| (8) Mr. S. M. Wasim, C.S.P., Secretary to Govern-<br>ment of West Pakistan, Basic Democracies<br>Social Welfare and Local Government Depart-<br>ment along with Sheikh Manzoor<br>Ahmad, Director Establishment, Public Health<br>Engineering Department. | .. | Ditto.          |
| (9) Mr. Amir Ahmad Khan, S.K., Secretary to Gov-<br>ernment of West Pakistan, Agriculture Depart-<br>ment along with Chaudhri Nazar Muhammad,<br>Superintending Engineer, Ghulam Muhammad<br>Barrage Project, A. D. C., Hyderabad                         | .. | Ditto.          |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan, acted as Secretary of the Committee.

II. The Committee in the first instance took up consideration of explanations of the Basic Democracies, Social Welfare and Local Government Department in respect of the following items appearing in the Appropriation Accounts for the year 1959-60 :—

(1) Page 3, paragraph 5 read with page 194-95—Grant No. 36—Miscellaneous—57—Miscellaneous—F-4—Other charges—J-2—Panchayat Officers—J-3—Village Agriculture and Industrial Development Department—J-4—Local Government Inspectorate—Saving Rs. 52,17,374—The Department had at the meeting of the Committee held on 24th November, 1965, satisfactorily explained the saving of Rs. 47,90,508 out of the saving of Rs. 52,17,374.

As regards the remaining saving of Rs. 4,26,866, the Department furnished explanations for the saving of Rs. 3,25,947 and there remained a balance of Rs. 1,00,919, for which no explanation had been furnished. The Committee had deferred consideration of this item with the desire that the break up of the remaining saving should be furnished by the Accountant-General to the Department who should submit explanation for that saving to enable the Committee to consider the item as a whole.

The Department now stated that the saving of Rs. 1,00,919 is not an actual saving but is due to the difference in the modified grant. The Department further stated that they had not been able to find papers regarding the variation of Rs. 1,00,919 between their figures and the Audit Department. The Finance Department too had not been able to lay hand on the papers. The Committee was of the opinion that another effort should be made both by the Department and the Finance Department to trace papers so that it could be known what the modified grant was and whether this saving had occurred at all.

As regards the saving of Rs. 3,25,947, the Department stated that due to the winding up of the Panchayat Department records had been transferred to a number of offices and organisations and those records were not available and they were not able to explain the saving.

The Committee regretted to observe that the system followed for the transference of records when a Department or office is wound up is very defective and no attempt seems to have been made hitherto to evolve a system whereby the records of a defunct Department or organisation can be traced when required. The Committee suggested that the O. & M. Wing of the Services and General Administration Department should particularly look into this aspect and devise a system whereby the records of a defunct Department or office be transferred in a systematic way and a record is kept of files and papers transferred to each organisation so that whenever these papers are required they can be traced. The Committee desired that the Finance Department should take up this matter with O. & M. Wing of the Services and General Administration Department.

Subject to these observations, the para. was dropped.

(2) *Page 218, item No. 30—Loss due to fire*—In this case, the Office of the Development Officer Village Aid was reported to have caught fire as result of which an almirah containing the records of the accounts was burnt. The cash book for the period from the 1st April, 1959 to the 4th July, 1959, it was stated, was also burnt. The exact amount of embezzlement has not so far been determined. The records for the period from the 1st November, 1958 to 4th July, 1959 could not be made available and the audit of that period, therefore, could not be conducted.

At its meeting held on 24th November, 1965, the Committee was informed that departmental enquiry was being held. The Committee had then directed that the result of the Departmental enquiry should be reported to the Committee. The Department now stated that the latest position of the case is that charge-sheets have been served upon the Development Officer and ex-Head Clerk. The former is working in the Agriculture Department and the latter is in the office of the Deputy Commissioner, Peshawar. The Assistant Political Agent, North Waziristan has been appointed as the Enquiry Officer. The Department opined that some time is bound to be taken before the inquiry is finalised.

The Committee directed that the inquiry should be completed as early as possible and not later than six months in any case, and the action taken against the defaulting officials reported back to the Committee in its next meeting when the accounts for the year 1960-61 are considered.

(3) *Page 3, paragraph 5, read with page 208—Grant No. 42—Loans and Advances by the Provincial Government—Sub-Head B-1—Loans to Municipalities—*

					Rs.
Original Grant	..	..	..	..	57,33,300
Surrender	..	..	..	..	9,34,880
Final Grant	..	..	..	..	47,98,420
Saving	..	..	..	..	27,16,338

In this case out of the original grant of Rs. 57,33,300, an amount of Rs. 9,34,880 was surrendered. Out of the remaining grant of Rs. 47,98,420, a sum of Rs. 20,82,082 had been spent and there was a saving of Rs. 27,16,338.

At the meeting of the Committee held on 24th November, 1965, the explanation of the Department was that the local bodies have to comply with certain formalities before they could be granted loans and advances. As most of these schemes were developmental, the local bodies concerned were required to get them cleared by the Planning and Development Department. It was expected that the requisite formalities would be completed by the local bodies well before the close of financial year 1959-60, but unfortunately the formalities could not be completed by them and the un-utilized funds could not, therefore, be surrendered. It was pointed out to the Committee that procedure of getting the schemes cleared was adopted in 1960. The Committee came to the conclusion that if this was correct, the explanation given by the Department was not satisfactory. The Committee desired that this matter should be placed before it with full details at its next meeting.

The Department now stated that the amount of Rs. 57,33,300 was provided for in the Budget for the following purposes :—

	Rs.
(1) Grant of loans to Local Bodies for repair to flood damaged bulidings and other schemes ..	40,00,000
(2) Grant of loans to Local Bodies for Public Health Schemes ..	17,33,300

As regards item No. (i), the Department stated that out of the original budget allotment of Rs 40,00,000, a sum of Rs. 35,93,216 was sanctioned as loans to various local bodies and a sum of Rs. 4,06,780 was surrendered leaving a balance of Rs. 4 only unutilized.

The surrender of Rs. 4,06,780 was made for the reason that on detailed scrutiny, some of the schemes of local bodies were not found to be sound and the loan was not granted to them. Due to the following facts, the saving could not be anticipated at the time of preparation of 2nd statement of excesses and surrenders:—

- (i) The loans were applied for by the Local Bodies concerned themselves;
- (ii) Subsequently, none of them informed Government that the loans would not be required by them;
- (iii) The loans could be drawn even on the last day of the financial year 1959-60; and
- (iv) This expenditure was to be incurred by the local bodies direct and not through any other agency.

Regarding item No. (ii), the Department stated that out of the original budget allotment of Rs. 17,33,300, under the head "Loans to Municipalities", a sum of Rs. 5,28,100 was surrendered, which was corresponding to the surrender under the head "70—Capital Outlay", leaving a balance of Rs. 12,05,200. The expenditure under this head was linked with the expenditure under the head "70—Capital Outlay" which was incurred by the then Buildings and Roads Department. In case of Urban Public Health Schemes, 1/3 of the total expenditure is given as grant-in-aid by the Provincial Government, 1/3 is borne by the Local Body concerned and 1/3 is advanced as loan to the said Local Body. But in view of the weak financial position of the Hyderabad Municipality, it was decided that the share of this Municipality may also be treated as loan. In other words, in case of Hyderabad Municipality 1/3 of the total expenditure was borne by the Government and 2/3 was to be treated as loan and adjusted against the budget provision under the head "Loans to Municipalities". During the year 1959-60, a sum of Rs. 2,99,311 only was spent from the head "70—Capital Outlay", leaving a saving of Rs. 16,79,689. The adjustment of this expenditure of Rs. 2,99,311 against "Loans to Municipalities" was not initiated and was, therefore, not carried out in the accounts. As the then Buildings and Roads Department did not spend Rs. 16,79,689 under the "70—Capital Outlay", there was a corresponding saving under the head "Loans to Municipalities". In fact the saving under the head "Loans to Municipalities" is covered by the explanation given under the head "70—Capital Outlay" under Grant No. 31.

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

(4) Page 3, paragraph 5 read with page 194—Grant No.36—Miscellaneous—Head 57—Miscellaneous—I.13—Social Welfare—Saving Rs. 16,273—The Department stated that so far as the Basic Democracies, Social Welfare and Local Government Department was concerned, the provision under this sub-head was Rs. 3,32,470. The revised estimates of the year 1959-60 were Rs. 3,13,420 against which the actual expenditure was Rs. 2,97,147. There was a saving of Rs. 16,273, which was due to the following reasons :—

	Rs.
(a) Economy exercised in expenditure on contingencies ..	15,377
(b) Saving in Other Allowances and Honoraria due to non-claiming of medical re-imbursement by the Officers/Staff ..	896

The explanation was accepted by the Committee and the para. was dropped.

III. The Committee then took up consideration of the following item appearing in the Appropriation Accounts for the year 1957-58 :—

Page 45—paragraph 40 (iii)—Payment of Rs. 17,000 to Village Councils—In this case, an amount of Rs. 17,000 was paid during 1957-58 and 1958-59 by the V-AID Department to the Village Councils without sanction of the competent authority. Out of this amount a sum of Rs. 5,500 was meant for purchase of medicines by the V-AID Councils. No record was maintained to show that the medicines were actually purchased by the Councils. Besides, the Medical Stores, Karachi was not contacted for the supply of the medicines as required under the rules.

The item had been dropped on 14th May, 1964 subject to stock verification by the Department and production of verification Certificate for the same to the Audit.

The Committee was now informed that the stock accounts of medicines in Khadar Dispensary were checked and found in order by the Department. A certificate to this effect was furnished to and accepted by the Audit.

As regards the stock accounts of medicines and their subsequent distribution in Mehrabpur Dispensary, the Department stated that it was explained to the Comptroller, Southern Accounts Circle, Karachi that the Village Council failed to maintain proper accounts for which the Village Council concerned was solely responsible because in view of the provisions of rule 8 of the Draft Development Fund Rules (reproduced below), the defunct Village Aid Department was not expected to execute by itself the various development projects for which financial assistance was paid from its Development Funds. This function was vested in the Village Councils concerned :—

“The execution of the schemes will be carried out by the Village Councils. Officials of the Village Aid Department are not allowed to arrange or give contracts for the execution of projects. The worker (V-AID) and the Supervisor (V-AID) will continue to watch the progress of the project and render all possible assistance for its execution.”

According to the above rule, the scheme of purchase and distribution of medicines in the Dispensary at Mehrabpur was executed directly by the Village Council, and to maintain its accounts properly was the function of that Council. As that Council has not been able to produce the requisite accounts, the only course available was to verify, through the local officers, that the grant was duly utilised and there was no mis-appropriation. This requirement was met and a certificate in this respect signed by two responsible officers of the Basic Democracies Department namely Assistant Director, Basic Democracies, Nawabshah and Development Officer, Nawabshah, was sent to Comptroller, Southern Accounts Circle, Karachi. The Audit,



however, did not agree to accept the alternative suggested by this Department and the Comptroller, Southern Area desired that "as the Village Council had failed to maintain the stock accounts and necessary verification of the stock accounts as desired by the Standing Committee could not be done, the irregularity may be condoned in consultation with the Finance Department so that the position may be brought to the notice of the Standing Committee for dropping the paragraph finally". According to this advice, the Finance Department was approached with the request that concurrence to condonation of the formality of reconstruction of stock register of medicines in Mehrabpur Dispensary might be accorded in view of the non-availability of relevant record and also no action was possible, after the lapse of 5-6 years against the defaulting village Council, which ceased to exist on the abolition of Village Aid Department. The Finance Department, in view of the special nature of case, agreed to the formal concurrence to the condonation of the formality to reconstruct stock accounts in Mehrabpur Dispensary. A copy of this concurrence was supplied to the Comptroller, Southern Area Circle, Karachi. The Department further stated that :—

- (i) The Department has no reason to doubt the proper utilisation of the grant out of Development Fund of the defunct Village-Aid Organisation for Mehrabpur Dispensary.
- (ii) The relevant records are not available and it is not possible to reconstruct the stock account at this belated stage.
- (iii) The defunct Village Councils, being a body of local community representatives, enjoying no legal entity, cannot be proceeded against for any default in maintenance of stock accounts or production of the relevant record.

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

IV. The Committee then examined the following items of the Basic Democracies, Social Welfare and Local Government Department relating to Public Health Engineering appearing in the Appropriation Accounts for the year 1959-60 :—

(1) *Page 5, paragraph 8 read with page 175—"70—Capital Outlay on Improvement of Public Health"—*

	Rs.
(1) Original Grant	.. 28,60,400
(2) Surrender	.. 8,81,400
(3) Final Grant	.. 19,79,000
(4) Expenditure	.. 2,99,311
(5) Saving	.. 16,79,689

The surrender of Rs. 8,81,400 was under the following five schemes :—

(i) *Drinking Water Supply Scheme at Bannu—Rs. 25,190*—The grant of Rs. 25,190 was sanctioned in the Budget Estimates for 1959-60 for expenditure on the works which was in progress from previous year. The scheme included in the work (Well at Langerkhel) for which boring Rig could not be procured inspite of best efforts. The grant had, therefore, to be surrendered.

The explanation was found satisfactory and the item was dropped.

(ii) *Drinking Water Supply at Hanngu Rs. 8,640*—The scheme costing Rs. 1,68,614 was in progress from previous year and expenditure of Rs. 1,54,420 was booked up to 30th June, 1959. A grant of Rs. 9,180 was sanctioned in the Budget Estimates for 1959-60. The pump on order was not expected during the year; therefore, a sum of Rs. 8,640 out of Rs. 9,180 was surrendered. Against the balance of Rs. 540 an expenditure of Rs. 540 was incurred.

The explanation was found satisfactory and the item was dropped.



(iii) *Drainage work at Hyderabad-Rs. 7,92,200*—The Department stated that this item has been transferred to it recently and full records are not available. From whatever records have been obtained from the Buildings and Roads Department it transpires that the surrender was due to non-receipt of technical sanction to the Estimates. According to the Audit, this contention of the Department could only be accepted if the approval of the Finance Department was obtained for making such provision in respect of this scheme. The Department explained that the Administrative approval of the scheme was accorded by the *Ex-Sind* Government,—*vide* Department of Education, Health and Local Self-Government Resolution No. 4-S-Dev/51-IV, dated 6th July, 1953. The demand is always examined by the Finance Department on the basis of the budget demand in A. D. P. for the Department after the D. P. is received. As the Finance Department, according to the above procedure agreed to allocate funds after due examination, it is clear that the prior consent of the Finance Department was available in this case otherwise in no case funds would have been allocated. Hence it is safely presumed that the consent of the Finance Department as required under paragraph 641 (a) (e) of Bombay P. W. D. Manual Vol. I was available.

The department further explained that the above explanation has been furnished on whatever record has been made available by the Communications and Works Department. However, personal efforts were again made to obtain some more record but no other record is made available by the Buildings and Roads Department, Southern Region, Hyderabad.

The Committee directed the Department to pursue the matter further and make efforts to obtain the record and to report the progress made in the next meeting.

(iv) *Tools and Plants prorata, Hyderabad and Peshawar Region, Rs. 43,700*—The Prorata share of expenditure chargeable on account of Tools and Plants, to work was less. Hence the grant was reduced.

The explanation was found satisfactory and the item was dropped.

(v) *Water Supply to Killes within radius of five miles around Naushki, Rs. 11,670*—The amount of Rs. 11,670 was surrendered due to less expenditure on the work.

The explanation was found satisfactory and the item was dropped.

The saving of Rs. 16,79,689 occurred in the following eight schemes :—

(i) *Construction of Well and Tank at Wali Banda and Dura Algad, Rs. 4,180*—The work at a cost of Rs. 26,000 was in progress from previous year and expenditure of Rs. 20,809 was booked up to 30th June, 1959. The well was constructed which failed due to lack of sub-soil water. Proposal to construct an open tank was prepared which could not reach a final decision during the year as it required detailed scrutiny. Hence the grant could not be utilized which resulted in saving.

(ii) *Water Supply Scheme, Abbottabad, Rs. 558*—As the amount is very small, no explanation was furnished.

(iii) *Providing 4 Wells of Drinking Water Supply at Gaudan Area, Rs. 11,670*—The work was administratively approved for Rs. 20,000 in the year 1956-57, and was allotted to the Contractor the same year. No funds were received during 1956-57 and 1957-58 hence liabilities of Rs. 3,148 were cleared on a notice served by the contractor during 1958-59. Balance allotment of Rs. 16,860 was received during 1959-60. The contractor was called upon to resume the work. But he did not agree to execute the work on the previous Schedule of Rate i.e. 48/12 per cent. The Earnest Money and the Security deposit was refunded to the Contractor and fresh tenders were called for but the new contractor failed to complete the work within the stipulated period. A penalty equal to 10 per cent of the amount of tenders was imposed on the contractor by the Superintending Engineer, Central Buildings and Roads Circle, Peshawar on 14th May, 1965. Since the agreement of the contractor was rescinded at the fag end of the year i.e. on 29th June, 1960, it was too late to surrender the allotment.

(iv) *Water-Supply Scheme Killies within a radius 5 miles around Naushki, Rs. 67,257*—The record for this item also has not so far been transferred by the Buildings and Roads Department. The Executive Engineer, Sanitary Division, Buildings and Roads, Quetta supplied the following information to the Department through Teleprinter Messages on 13th April, 1966 and 19th April, 1966.

The position of the funds of this work was as follows :—

	Rs.
(1) Original Grant .. .. .	60,000
(2) Modified Grant .. .. .	48,370
(3) Actual expenditure during 1959-60 .. .. .	47,299
(4) Saving .. .. .	1,071

The difference of Rs. 66,226 (67,297—1,071) is due to following adjustments made in the Audit Office in the Accounts for 1959-60 :

(1) T. and P. Charges on pro rata basis, Rs. 1,857, adjusted in June, 1960, 1st supplementary accounts.

2. Amount adjusted 1/3rd expenditure incurred on Water-Supply and Drainage Scheme under Head "70—Capital Outlay on Improvement of Public Health during the year 1958-59 and against the social uplift scheme funds

	(—)68,083
Total ..	(—)66,226
1958-59 ..	51,698
1959-60 ..	16,385
Total ..	68,083

The above adjustment of T. & P. Charges is chargeable to the corresponding provision made therefor in the Budget Estimate under "50—Civil Works" similarly the adjustment of Rs. (—)68,083 on account of "Receipts and Recoveries" is chargeable to the corresponding provision under "Receipt and Recoveries". The above two adjustments made by the Audit Office were not taken into account while working out the amount of saving i.e., Rs. 1,071 as stated above.

(v) *Bulk Water-Supply Scheme at Hyderabad*—(vi) *Hirabad Distribution System*, (vii) *Drainage Works of Hyderabad*—Rs. 14,94,724—This is also one of the items which relates to Communications and Works Department but has only recently been transferred to Public Health Engineering Department. From the record made available, the position of funds as well as the expenditure is given below :—

	Rs.
(1) Modified grant ..	18,07,800
(2) Actual Expenditure ..	14,42,734
(3) Saving ..	3,65,066

The above saving was against the following three works falling under the Head "70—Capital Outlay". The explanations are given against each :—

(1) *Bulk Water-Supply to Hyderabad*—

	Rs.
Modified grant ..	15,07,800
Expenditure ..	14,83,339
Saving ..	24,461

This saving is minor, admissible under the rules and it is only 1·6 per cent.

(2) *Hirabad Distribution System—*

	Rs.
Modified grant ..	2,00,000
Expenditure ..	26,194
Saving ..	1,73,806

The contractor was to be paid after the testing of pipe line and H. S. R., etc., but due to sudden acute shortage of water it was not possible to test the complete pipe lines and other water works like H. S. R., etc., during 1959-60 and as such the bills which would have to be cleared had been delayed.

(3) *Drainage work at Hyderabad—*

	Rs.
Modified grant ..	1,00,000
Expenditure ..	—95,375
Saving ..	1,95,375

The technical sanction to drainage scheme, Hyderabad was not received even up to the 2nd list of Excesses and Surrenders for 1959-60 and the amount of Rs. 9,00,000 out of the allotment of Rs. 10,00,000 was surrendered. At that time it was anticipated that technical sanction would be granted during the remaining period of the financial year and that it would be possible to spend the remaining amount of Rs. 1,00,000. But subsequently the work was indefinitely postponed and has not been taken in hand even upto this date as it was decided at high level that detailed investigation and opinion by the Foreign consultants be obtained before actually starting the construction work. As such the balance amount of Rs. 1,00,000 could not be utilised. As the scheme was indefinitely postponed it was not advisable to keep the material arranged for the work in the earlier year and not to use it. Hence the credit of Rs. 95,375 which was unavoidable was given resulting a total saving of Rs. 1,95,375 on this work.

Total saving of these 3 works is Rs. 24,461 + Rs. 1,73,806 + Rs. 1,95,375. Rs. 3,93,642—counter balanced by the excessive expenditure of Rs. 28,576 incurred by the Buildings and Roads Department on the following works without any budget provision :—

	Rs.
(i) M. & R. to Water Work at Kot Digi ..	6,883
(ii) M. & R. to Water Work at Khairpur ..	21,693
Total ..	28,576

The net saving was Rs. 3,93,642—Rs. 28,576 = Rs. 3,65,066.

(viii) *Tools and Plant prorata transferred—Rs. 1,01,300—*Consequent upon less expenditure incurred on works, the prorata share of expenditure chargeable on account of T. & P. works was less. Hence saving.

The explanations in respect of above saving were found satisfactory and the para. was dropped.

(2) *Page 13, paragraph 17 (a) 2 (11)—Excess payment of Rs. 76,449—*In this case excess payment aggregating to Rs. 76,449 were made by supplying stores to the various contractors in excess of the actual requirements of the works and recoveries on account of the cost thereof were not effected regularly and promptly from their running bills. When the final bills of the contractors were prepared on completion of the works, the excess payments were discovered.

The matter was last considered by the Committee at its meeting held on 24th November, 1965. The Committee was not satisfied that suitable action has been taken by the Department in this case. The Committee desired that the Department should make efforts to effect the total recovery and take disciplinary action against the officials responsible for excess payment.

The Department now explained that recovery of Rs. 52,071.16 has been made and verified by Audit and that further recoveries of Rs. 7,738.55 were under verification with the Audit. The balance of Rs. 17,739.29 is recoverable from 3 contractors and the following action has so far been taken.

(1) *Mr. Iqbal Akhtar, Contractor*—The recovery of Rs. 2,897.25 is to be effected from the claim of the contractor which is pending with Mr. Manzoor Abbas Akbar, Superintending Engineer, Public Health Engineering Circle, Peshawar who has been appointed as an Arbitrator.

(2) *Mr. Rais Abdul Karim, Contractor*—The recovery of Rs. 7,231.25 is to be made by the Tehsildar, Khanpur as Land Revenue. Deputy Commissioner, Rahimyar Khan has already issued orders to the Tehsildar, Khanpur, on 19th October, 1966 to effect this recovery. Necessary steps are being taken by the Department to Black List the Contractor also.

(3) *Mian Allah Ditta Contractor*—Rs. 7,610.78—The contractor has given undertaking to pay the dues in installments and he has already paid Rs. 800 in this manner. Action is, however, being taken for recovery of the remaining dues to as arrears of land revenue.

The position with regard to disciplinary action against the Official/Officers is as under :—

1. *Overseers*—Punishment to the following Overseers by stopping one year increment without future effect has been awarded by the Superintending Engineer, Public Health Engineering Circle, Bahawalpur,—*vide* his memo. noted against each:—

(1) Mr. Rashid Ahmad, Overseer,—*vide* Superintending Engineer, Bahawalpur No. EM-188/2314/G, dated 18th June, 1966.

(2) Mr. Muhammad Iddress Overseer,—*vide* Superintending Engineer, Bahawalpur No. EM-188/2319/G, dated 18th June, 1966.

2. *Officers*—(1) Mr. Akhtar Ali, S.D.O., Buildings and Roads Department.

(2) Mr. Muhammad Ramzan, S.D.O., Buildings and Roads Department.

The Charge-sheet against the officers was sent to the Secretary, Communications and Works, Lahore, on 1st April, 1966 for approval and service upon them. The Secretary, Communications and Works has referred the matter to Law Department for Vetting. The last reference has been made by the Communications and Works to Law Department on 15th October, 1966. Further action will be taken on the receipt of reply thereto.

(3) *Mr. Zia-ul-Hassan, Temporary Assistant Engineer, Officiating Executive Engineer, Public Health Engineering Division, Sargodha*—The reply to the Charge-Sheet has since been received from the Superintending Engineer, Public Health Engineering Circle, Bahawalpur. Certain observations on the reply submitted by the accused officer has been made on 30th September 1966. Further action will be taken as soon as the reply is received from Zia-ul-Hassan, Superintending Engineer, Public Health Engineering Circle, Bahawalpur.

(4) *Divisional Accountant*—

The Audit Office has taken a decision on 15th August, 1966 that no action could be taken against the Divisional Accountant in view of the position explained by the Divisional Accountant.

The explanation was found satisfactory and the para. was dropped subject to verification of recoveries being made and the disciplinary action taken against the remaining Officers.

(3) *Page 53-54, paragraph VI—Expenditure on 204 Deposit Works involving Rs. 18,48,300, in excess of the Deposits received by P. W. D.*—The matter was last considered by the Committee at its meeting held in November, 1965 wherein the Department informed the Committee that amounts in respect of 198 works had been recovered and only six cases remained outstanding.

The Department now stated that there was no work in respect of which no deposit had been received and the work had been started.

The Committee observed that in the explanation given by the Department in November, 1965, they had stated that efforts were being made to recover the deposits in respect of the remaining six cases from the Local Bodies concerned and that disciplinary action against the officers responsible for incurring expenditure in excess of deposit or without deposit was being taken. The Department has now stated that there was no work in respect of which no deposit had been received and work of which had been started. Obviously, the two statements are contradictory. While giving explanation in November, 1965, the Department had appended to their explanation a long list of works in the case of which no deposit had been received and a number of others in the case of which the actual expenditure in excess of the deposits had been incurred. The Director of Audit suggested that the Secretariat Department should carefully sift the replies received from their subordinate offices and unless this was done, contradictory statements were bound to be coming before the Public Accounts Committee. The Secretary, Basic Democracies and Local Government stated that the position was not very happy and that he would look into the matter again.

The para. was, therefore, deferred and would be taken up again in the next series of meetings of the Public Accounts Committee when the Department would furnish a consolidated explanation covering all aspects of the matter.

(4) *Page 181, paragraph 7—Theft of M. S. Bars*—In this case stock material worth Rs. 3,300 was stolen in August, 1957 and its cost was debited to the Suspense head "Miscellaneous Public Works Advances."

The matter was last considered by the Committee at its meeting held on 24th November, 1965 wherein the Department explained that the matter has been reported to police who returned the case as untraceable. In the departmental inquiry, the overseer was held responsible but no action could be taken as he was reported to be dead. The Committee then directed the Department to report the date of death of the Overseer. The Department now stated that the theft had occurred in August, 1957. The Overseer died on 31st December, 1963 whereas the departmental inquiry was held in March, 1965 only to satisfy the Audit. The Department further explained that the rules prevalent in the former Sind Area do not make it compulsory that a departmental inquiry is a must even after the Police inquiry and investigation. Hence no departmental inquiry was held earlier and no one was held responsible for it. As such the question of recovery from overseer before the death did not arise. The case for the write off of the loss of Rs. 3,300 is reported to be under consideration of Government. The para. was dropped subject to write off.

(5) *Page 181, paragraph 8—Non-recovery of Wharfage and Demurrage charges from a Contractor*—In this case wharfage and demurrage charges amounting to Rs. 6,389 levied by the Railway Authorities were paid in May, 1959 by the Sub-Divisional Officer on behalf of the contractor by debit to the suspense head "Miscellaneous Public Works Advances." Out of the amount due from him, sum of Rs. 716 was adjusted in October, 1960 against the amount lying at his credit under "Public

Works Deposit", but he did not pay the balance of Rs. 5,674. Instead of effecting recovery from the contractor, the Department recommended to the Railway Authorities to waive the demurrage and wharfage charges outstanding against the contractor.

The matter was last considered by the Committee at its meeting held on 24th November, 1965 when the Committee was informed that no disciplinary action could be taken against Mr. Muhammad Hassan Assistant Engineer (S. D. O.) who was responsible for non-recovery of the amount from the contractor because he had proceeded to U. S. A. on study leave. The Committee then directed that action should be taken in terms of the decision of the *ad hoc* Public Accounts Committee taken in February, 1962 which requires that the Officer should be recalled through a telegram and proceeded against departmentally, action taken for the cancellation of his passport, and departmental action should also be taken against the officer who granted leave.

The Department now explained that the correct factual position of Mr. Muhammad Hassan's case is that while working as Assistant Design Officer in the Defunct Social Welfare Organisation of the Buildings and Roads Department he applied for grant of study leave with effect from 1st September, 1960 to 31st August 1961. He also gave an undertaking to the effect that he would be responsible for any dues recoverable from him. His leave application dated 28th June, 1960 on the prescribed form duly verified by the Accountant-General, West Pakistan, Lahore was forwarded to the former Chief Engineer, Buildings and Roads Department, West Pakistan, Lahore for necessary action pointing out that there was a case of excess payment alleged to have been made by him during the period he remained in charge of defunct Social Welfare Sub-Division, Buildings and Roads Department, Montgomery. The leave was not sanctioned to him but he subsequently tendered his resignation, deposited an amount equivalent to two months pay, surrendered his pay for the month of September, 1960 in lieu of 3 months notice and deserted duty with effect from 4th October, 1960 without the acceptance of his resignation. From this it would be seen that Mr. Muhammad Hassan was never granted study leave by the Department but he absconded from his employment without having his resignation accepted by the competent authority and as such the question of any departmental action against the officer who granted leave as decided by the *ad hoc* Public Accounts Committee in February, 1962 does not arise. As regards calling of Mr. Muhammad Hassan from abroad or proceeding against him departmentally, it is stated that he was directed at his address in U. S. A. to come back to Pakistan. In reply thereto he stated that he was studying in U. S. A. for Master Degree in Sanitary Engineering and he would be able to finish the course soon and that he was ready to submit his explanation in connection with the case of irregularities against him. Thereafter, he was addressed by the Chief Engineer, West Pakistan Buildings and Roads Department to come back to Pakistan to resume his duties, but the communications were received back undelivered. Subsequently a charge sheet was forwarded by Chief Engineer, West Pakistan, Buildings and Roads Department to the Secretary, Communications and Works which was passed on to the Ministry of External Affairs for serving the same on Mr. Muhammad Hassan. The correspondence between Communications and Works Department and Ministry of External Affairs is going on.

The Committee observed that though the Audit had pointed out this irregularity nine months before the S. D. O. absconded or subsequently asked for the leave, the Department took no action in time nor did they make any attempt to fix the responsibility. It was also revealed that the passport of the S. D. O. is dated 1st September, 1960. It appeared that being a Government servant employed as an Engineer, normally the passport could not have been issued in his favour unless he got a clearance certificate from his Department and submitted it to the passport

authorities. The Department was not in a position to state whether this was done or not, and if this was done, in that case as to who was responsible for giving Clearance Certificate without first effecting the recovery of the amount. The para. was deferred to enable the Department to further enquire into the matter and furnish full details of the case for consideration in the next series of meetings of the Public Accounts Committee.

(6) *Page 167, paragraph 8—Store Accounts of the Buildings and Roads Department*—In this case, Store Accounts from various Divisions had not been sent to the Audit.

The Department explained that no Store Accounts for the year 1959-60 was now outstanding.

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

(7) *Page 35, Paragraph 17 (a) 27—Fictitious Stock Adjustment*—As the working papers submitted by the Department in respect of this para. were confusing and had not been prepared in the proper form, the para was deferred to be taken up along with the accounts for 1960-61.

V. The Committee then took up consideration of the explanations of the Agriculture Department respect of items pertaining to the Agricultural Development Corporation appearing in the Accounts for the years 1958-59 and 1959-60. The Superintending Engineer, Buildings and Roads, Agricultural Development Corporation was representing the Department for the purpose of explaining the paragraphs. The Secretary, Agriculture Department stated that he could not take the responsibility for these paragraphs as Agricultural Development Corporation was an autonomous Corporation. The Committee felt that they could not proceed with the examination of the paragraphs in the absence of at least the Finance Member of the Agricultural Development Corporation, if not the Chairman. The Committee invited the attention of the Secretary, Agriculture Department to Finance Department's U. O. No. A & A (1)-V-1/84-Vol. II-2278/64, dated the 16th May, 1964 by which the decision of the Public Accounts Committee was communicated to the Administrative Departments that representation before the Committee should be at the level of the Administrative Secretary and the Head of the Department and not below that.

These para were, therefore, deferred and would be taken up with the accounts for the year 1960-61 when, the Committee expected, the Chairman or Finance Member of the Corporation would appear before the Committee personally.

VI. The Committee then considered the explanation of the Agriculture Department in respect of the following item appearing in the Appropriation Accounts for the year 1958-59 :—

*Page 5, paragraph 8 read with page 134, Grant No. 28 Agriculture—Excess Rs. 1,57,47,710*—The excess had been explained by the Department at the meeting of the Committee held on 15th April, 1966. There was, however, a difference of Rs. 9,920 between the excess of Rs. 22,52,309 to be explained in respect of Southern Area Circle of Accounts and the excess of Rs. 22,42,389 explained by the Department. The Department was asked to furnish explanation for this difference. In addition to this there was an overall difference of Rs. 2,59,940 for which no explanation had been given by the Department. The Committee decided that the Department should furnish necessary explanation for this excess along with the explanation for the difference of Rs. 9,920.

The Department now stated that the excess of Rs. 2,59,940 was due to the debit raised by the Comptroller, Southern Area, West Pakistan, Karachi on account of the purchase of spare parts P. O. L. and Machinery etc., by the Superintending Engineer, Tandojam during the previous years. It also covered the amount of Rs. 99,20.

The explanation was found satisfactory and the item was dropped.

VII. The Committee then considered the explanations of the Agriculture Department in respect of the following items appearing in the Appropriation Accounts for the year 1959-60 :—

(1) Page 3, paragraph 5, read with page 155— Grant No. 25—Veterinary—  
Rs.

Final Grant	..	95,78,910
Expenditure	..	79,09,948
Saving	..	16,68,962

Under this head out of the original grant, a sum of Rs. 15,94,250 was surrendered and then there was a saving of Rs. 16,68,962.

Reasons for the surrender of Rs. 15,94,250 were :—

	Rs.
(i) Certain posts could not be filled in for want of fixation of the strength.	1,87,980
(ii) Certain schemes could not be started in the early months of the Financial year due to procedural difficulties.	3,06,040
	1,55,230
	9,04,800

(iii) That a sum of Rs. 31,700 was originally provided in excess of the requirement and a scheme for the payment of Rs. 8,500 was provided.	..	40,200
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The audit circle-wise details of the saving were as under :—

	Rs.
Northern Area, Peshawar	.. 74,643
Audit Circle, General	.. 15,92,319
Total	.. 16,66,962

Saving in the Northern Area, Peshawar was under the following items:—

	Rs.
(i) Pay of Officers	.. 4,990
(ii) Pay of Establishment	.. 11,560
(iii) Allowances and Honoraria	.. 3,990
(iv) Travelling Allowance	.. 1,360
(v) Contingencies	.. 52,743

Certain posts remained vacant and certain officers could not draw their salaries due to non-fixation of their pay under the revised scales and similar other reasons.

The saving in the General Circle of Accounts was under the following items:—

	Rs.
(i) Pay of Officers and Establishment	.. 6,219
(ii) Contingencies	.. 5,38,200
	(Debits were not received).



## (iii) Cost of Drugs

10,47,900  
(Debits were not received from the Supply Department).

The explanation was found satisfactory and the item was dropped.

(2) Page 3, paragraph 5 read with page 194—Grant No. 38—F-4—Other Charges—Grant to S. P. C. A.—Saving Rs. 15,664—The Department stated that the Honorary Secretary of S. P. C. A. had intimated that there was no budget provision for 1959-60 in favour of S. P. C. A. and the relevant record of the Director of Animal Husbandry was not forthcoming. The Finance Department had also been consulted but the records could not be traced. The Department, therefore, regretted that no explanation could be furnished.

The Committee reluctantly dropped the para.

(3) Page 39, paragraph (2)—Delay in Recovery—In this case, a sum of Rs. 7,689 was outstanding against an ex-lessee of a cattle Breeding Farm on account of Battai of Rabi Crop for the year 1948-49. Judicial proceedings for recovery were started in December, 1952 and terminated in favour of the Department in 1959. The amount had, however, not been recovered. As reported by the Audit, according to the Department, the recovery of the amount from the lessee was under correspondence with the Tehsildar.

The Department stated that a sum of Rs. 7,659 on account of Government share of Battai for Rabi 1949 and Rs. 1,043.50 on account of cost of the case had since been recovered in full and deposited into Government Treasury.

The para. was dropped subject to verification by Audit.

(4) Page 48, paragraph II, Audit of Grants-in-Aid—In this case a certificate to the effect that the grants were spent on the objects for which they were meant and in accordance with the prescribed conditions had not been furnished by the Director of Animal Husbandry to the Audit. As the necessary certificate had now been furnished, the item was dropped.

(5) Page 3, paragraph 5 read with page 74, Grant No. 8—Capital Outlay on Forests—

	Rs.
Final Grant	5,06,480
Expenditure	99,848
Saving	4,06,632

The Department stated that the actual expenditure comes to Rs. 1,43,912 and not Rs. 99,848 as given in the Audit Report because Rs. 44,064 incurred by the Conservator of Forests, Hyderabad Circle in the jurisdiction of Comptroller, Southern Area has not appeared in the Accounts. After reducing the amount of Rs. 44,064 from Rs. 4,06,632, the actual saving comes to Rs. 3,62,568. This saving was due to the fact that out of Rs. 5,06,480 allocated to the Department for the purchase of 2 small launches and one big launch for Coastal Zone Afforestation Division, only Rs. 1,43,912 were spent on the purchase of a launch and the minor equipment. The remaining amount of Rs. 3,62,568 could not be utilized due to non-supply of above-mentioned launches by the Director General, Supply and Development and Director of Industrial Development Corporation.

The explanation was accepted by the Committee and the item was dropped.

(6) Page 3, paragraph 5 read with page 165, Grant No. 24—Agricultural Improvement and Research—

	Rs.
Original Grant	.. 1,05,61,100
Supplementary	.. 10
Surrender	.. 10,00,690
Final Grant	.. 95,60,420
Expenditure	.. 10,61,784
Saving	.. 84,98,636

The Department explained the surrender and saving as under:—

- (a) Surrender—Rs. 10,00,690—  
 (i) Rs. 2,00,000 (cost of equipment and apparatus).

A sum of Rs. 14,46,400 was provided in the budget for 1959-60 for the purchase of equipment and apparatus for Research sections. The indents against the entire amount were placed with the Director of Industries, West Pakistan for procurement of articles, but the indents to the extent of Rs. 2,00,000 did not materialize until April, 1960 and it was not expected to be materialized during that year. As such the amount of Rs. 2,00,000 was surrendered through the Revised Estimates and at the same time this amount was requisitioned as regrant of lapses during the next financial year. The regrant of lapses was agreed upon by Finance Department.

(ii) Rs. 7,82,400 (Purchase of material for unified Tube-well Scheme)—The scheme could not be implemented in full during that year for want of completion of agreement bonds with Zamindars, who applied for the installation of tube-wells. Moreover, the indents for the purchase of well drilling accessories were placed with the Director of Industries by the Agricultural Engineers, Lyallpur, Peshawar and Tando Jam but the supply of accessories in question was not received during that year. A part from this, the desired foreign exchange for the import of well drilling equipment was not made available to the Department.

(iii) Rs. 25,000 (Purchase of land for establishment of Sub-station for Maize Hybrid at Murree)

(iv) Rs. 30,000 (Purchase of land for Establishment of Sub-Station at Murree for Breeding Programme).

(v) Rs. 25,000 (Purchase of land for Establishment of Sub-Station for Maize Hybrid at Lower Hills, Peshawar).

The purchase of land could not be finalized.

(vi) Rs. 24,000 (Installation of tube-wells for improvement and multiplication of Bajra in Hyderabad).

The tube-wells could not be installed as the land on which the experiments were to be conducted was not available.

The total of the amounts surrendered as mentioned above comes to Rs. 10,80,400 out of which a sum of Rs. 85,710 was given by the Finance Department as Supplementary grant. Thus the net surrender was Rs. 10,00,690.

(b) Saving of Rs. 84,98,636.

(1) Rs. 62,82,360—This saving occurred due to the fact that the indents for the purchase of tractors, equipment and apparatus, pipes and brass strainers, etc. were placed with the D. G. S. and Development, Karachi but debits on account of cost of said articles were not raised by him in the year 1959-60. These debits were raised in the accounts of subsequent years.

(2) Rs. 4,16,963—Against the modified grant of Rs. 9,59,000 a sum of Rs. 7,98,181 was incurred as shown below :—

	Rs.
(1) Principal, Agricultural College, Tandojam ..	3,62,932
(2) Superintending Engineer, Tandojam ..	4,35,249
	<hr/>
Total ..	7,98,181

Leaving a balance of Rs. 1,60,819 and not Rs. 4,16,963. The balance was mainly due to non-raising of debits, etc. during 1959-60 as the apparatus meant for research section had to be imported from abroad, through D. G. S. & Development.

(3) Rs. 17,99,313—A saving of Rs. 16,00,000 in the Peshawar Division was mainly due to non-availability of land for the establishment of new Hybrid Seed Farm in Peshawar Division.

The remaining saving of Rs. 1,99,313 was due to the reason that the apparatus and equipment indented for, were not supplied.

The explanation was considered satisfactory and the item was dropped.

VIII. The Committee at this stage came to the conclusion that the replies furnished by the Agriculture Department have been changed out of all proportion by the slips pasted on the copies. A corrected copy duly pasted with slips has been supplied to the Chairman of the Committee and to no other member, or Accountant-General and Finance Department. In the circumstances, the Committee felt that it could not adequately deal with the remaining paragraphs. The Department was given another opportunity to prepare entirely new working papers containing up-to-date information and make available these working papers a week before the date of the meeting on which these items are considered in the next series of meetings of the Committee.

The Committee desired that the Finance Department should look into the matter of non-supply of working papers by the Departments in time and issue necessary instructions that in all cases the working papers should be supplied at least a week before the date of the meeting.

IX. The Committee then adjourned to meet again at 10-00 A. M. on 2nd November, 1966.

LAHORE :

The 1st November, 1966. }

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HEAD ON 2ND NOVEMBER 1966 AT 10-00 A.M. IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE**

**I. The following were present:—**

- |   |    |                  |
|---|----|------------------|
| (1) Mr. Zain Noorani, M.P.A.  | .. | Chairman.        |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. | Member.          |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. | Member.          |
| (4) Khan Malang Khan, M.P.A.  | .. | Member.          |
| (5) Mr. Asif Rahim, C.S.P. and Syed Akhlaq Hussain, C.S.P., Additional Finance Secretary to Government of West Pakistan.  |    | Expert Advisers. |
| (6) Mr. S.M.A. Subzwari, P.A. & A.S. Director, Commercial Audit.  |    | By invitation.   |
| (7) Mr. Amir Ahmed Khan, S.K., Secretary to Government of West Pakistan, Agriculture Department.  |    | Ditto.           |
| (8) Mr. Munir Hussain, C. S. P., Secretary to Government of West Pakistan, Industries, Commerce & Mineral Resources Department along with Director, Industries, and Member (Finance) West Pakistan Industrial Development Corporation and West Pakistan small Industries Corporation. |    | Ditto.           |
| (9) Mr. Abdul Qayyum C.S.P., Chairman, Road Transport Corporation.  |    | Ditto.           |

Chaudhri Muhammad, Iqbal, Secretary, Provincial Assembly of West Pakistan, acted as Secretary of the Committee.

**AGRICULTURE DEPARTMENT**

**II. The Committee in the first instance considered the explanations of the Agriculture Department in respect of the following items appearing in the Commercial Accounts for 1959-60:—**

(1) *Page 9.1) Part 18 (iv) —Non-Compilation of Accounts of Shisham Exploitation Scheme in Mardan*—The Department explained that the accounts for the year 1958-59 have since been prepared and audited and the same have been included in the Commercial Accounts for 1962-63. The Accounts for the period 1959-60 (1st July 1959 to 15th December, 1959) have also been prepared and audited. The scheme was transferred to Irrigation and Power Department from 16th December, 1959.

The Committee was further informed that records pertaining to the scheme have been distributed between the Forest Department and the Irrigation Department and, therefore, none of the Departments, without the assistance of the other is able to prepare the accounts for the remaining period. The Departments have not been able to get together and prepare the accounts so far. The Committee came to the conclusion that the only solution at this stage was that the Finance Department should take interest in the matter and get the two Departments together for the preparation of the accounts. The Additional Finance Secretary said that the Finance Department would do that.

(2) *Page 9-10, Para 18. (V)—Non-compilation of Accounts for the Scheme for the Exploitation of Ephedra Plants in Quetta*—In this case, the Accounts of the Scheme for the exploitation of Ephedra Plants in Quetta Region for the year 1958-59 and 1959-60 have since been audited and included in the next compilation for 1960-61.

The Department explained that the reasons for the delay in submission of the proforma accounts have been that there was no commercial accountant in the Department and the existing staff did not know the Commercial accounting system.

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

(3) *Page No. 9-10, Para. No. 18 (VI)*—In this case, the accounts of the Mechanical Cultivation Scheme in Quetta Region for 1956-57 compiled by the Department contained several deficiencies and the Department was asked to recast them. The accounts were not recasted. The accounts for the year 1957-58 to 1959-60 were also not compiled by the Department.

The Department now explained that two officials were deputed with the Director of Commercial Audit, office, Karachi. They received training for one week. But they have not been able to compile the requisite accounts. A Scheme for the provision of suitable posts of Commercial Accountant has been prepared and is under consideration of Finance Department. According to the Department with the creation of these posts, the difficulties with regard to the preparation of Commercial Accounts particularly of a workshop which is of arduous nature would be overcome.

The Committee decided that this item should come up again before it when the accounts for the year 1960-61 are taken up.

(4) *Page 9-10, para. 18 (VII)—Non preparation of Accounts of Agricultural Engineering Workshop, Tando Jam*—In this case the Accounts of the Agricultural Engineering Workshop, Tando Jam had not been prepared by the Department since 1947-48.

The Department stated that the accounts for 1958-59 to 1963-64 have since been prepared. So far as the preparation of commercial Accounts for the period from 1947-48 to 1957-58 is concerned, the Department approached the Finance Department to the condonation of the preparation of the accounts, but the Finance Department did not agree. The Director, Commercial Audit, pointed out that there must be the ordinary accounts of the workshop for this period, and it should not be difficult to prepare commercial accounts from those accounts.

The Committee observed that the Department should make every efforts to prepare the Commercial accounts and if they are unable to do it, they should have the matter straightened out with the Finance Department.

(5) *Page 9-10, Para. 18 (VIII)—Non preparation of accounts of cold storage at Bighbanpura, Lahore and Sialkot*—In this case the accounts of Cold storage at Bighbanpura (Lahore) and Sialkot were not prepared by the Department since 1951-52.

The Department explained that these institutions were transferred to the private persons on 14th February, 1954 and the Department ceased to exercise control of these storage thereafter.

The Committee observed that the proper thing for them would be to ask for condonation of the preparation of accounts for this period if it were really not possible to prepare the accounts. The Department should either prepare the accounts or obtain condonation from the Finance Department. Subject to these observations the para. was dropped.

(6) *Page 23, Para. 28—Non accountal of Petrol, Oil and Lubricants worth Rs. 7,282*—In this case it was noticed that, 544 gallons of Mobil Oil, 1668 Gallons of Diesel Oil, 820 Lbs. of grease and 695 Gallons of Petrol costing Rs. 6,233 were issued from the stores during the period from December, 1959 to June, 1962 for consumption in tractors. The log books of the tractors in question did not, however

indicate the receipt and consumption of the above stores nor the fact could be verified from the weekly reports of the field staff. In another Workshop similar stores worth Rs. 1,049 issued during the year 1959-60 were not accounted for.

The Department explained that the Agricultural Engineer, Tando Jam has since conducted the inquiry and fixed the responsibility of shortage on the persons at fault and action to recover the amount from the defaulters was in hand. To avoid recurrence, remedial steps have also been taken by the Workshop.

From the oral inquiry, the Committee found that the inquiry had not been properly conducted. The responsibility had been fixed only on some labourer, who were no more working with them, and no sort of inquiry had been made against any supervisory staff. This is in conformity with the tendency prevalent in some Departments to fix the responsibility on labourers and such other low paid employees while the supervisory staff is either shielded or exonerated.

The Committee desired that the Department should make a fresh inquiry and fix responsibility on the supervisory staff, who was supposed to be in charge of these vehicles and report the result to the Committee when the accounts for 1960-61 are considered.

(7) *Page 23, Para. 29—Overpayment of Rs 4,703*—In this case in a workshop bills amounting to Rs. 2,20,078 were received from a firm during the period from 24th July, 1959 to 18th June, 1960 on account of supply of tractor parts. The above amount was paid to the firm on 27th June, 1960 without verifying whether the goods had been received completely. A shortage of parts valuing Rs. 4,703 was detected two days after the payment of the bills, viz, on 29th and 30th June, 1960, but no action had been taken by the Department for the recovery of the amount until, it was pointed out by Audit in September, 1962. The amount was recovered in January, 1963 from the dues of the firm.

The Department explained that the inquiry revealed that the firm who had admitted their fault of making short supply was expected to issue credit note in routine matter. But it was not done so by them. The official did not remain silent with any bad motive but the rush of work involved made the official to lose sight of the item and he did not pursue it; hence it remained un-recovered for some time. There was no foul play involved and as soon as the firm was apprised of the position they refunded the amount.

The Committee observed that although recovery in this case has been made, yet what remains to be seen is whether the Department on its own moved for obtaining the recovery when it was discovered that an over-payment had been made without receipt of goods. If the Department did not do so until it was pointed out by the Audit, surely the official who kept quiet even after detecting that an over-payment had been made should be held responsible for this lapse. The Committee desired that the Department should collect all the necessary record and satisfy the Committee that they had moved for the recovery of the over-payment as soon as it had been detected and that if that was not the case, to take suitable action against the official at fault in respect of giving a certificate that he had done all that in good faith. The item should come before the Committee when the accounts for 1960-61 are considered.

(8) *Page 23, Para 30—Loss of Revenue—Rs. 4,588*—During the year 1960-61 seven heavy tractors remained idle for 37 days (296 hours) for want of Petrol, Oil and Lubricants which could not be supplied due to non-availability of transport. The idleness of the tractors resulted in a loss of revenue amounting to Rs. 4,588. This loss could have been avoided if adequate arrangement for regular supply of Petrol, Oil and Lubricants, for the tractors working in the fields had been made.

The Department explained that the area in Quetta and Kalat Division is very vast and the means of communications are very scarce. The tractors were working in out of the way and far off places. The entire work of feeding of tractors depen-

ded on the limited number of vehicles at the disposal of Workshop. There were only two tankers available for the supply of 48 tractors working throughout the Quetta and Kalat Division. With this limited number of tankers, smooth supply of Petrol, Oil and Lubricants to all tractors working in scarcely located areas was not possible. Hence the instances quoted had actually occurred under the above unavoidable circumstances.

The Department further explained that in order to minimise such unavoidable losses, two more tankers have been purchased for the Quetta Workshop. There are now four tankers instead of two for feeding the tractors. The Department also stated that there is a scheme for the establishment of a sub-shop in each district with necessary transport facilities which includes the provision of tankers for the supply of Petrol, Oil and Lubricants which would minimise the difficulties of supplying Petrol, Oil and Lubricants to tractors in the area comprising nine districts.

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

(9) Page 141, Para. 140—*Sundry Liabilities*—In this case the amount of sundry Liabilities increased to Rs. 3,68,310 from Rs. 3,27,810 as at the end of the previous year. According to Audit early Liquidation of the same was desirable.

The Department explained that a large amount of these outstanding amounts has since been liquidated and that vigorous efforts are being made to obtain the bills from the parties concerned and clear the rest of liabilities.

The Committee observed that the explanation given by the Department was very vague. The Secretary, Agriculture offered to give figures in support of Department's contention. The Committee observed that these figures should have been furnished with the written explanation. The Committee desired that the Department should in future please take care that the explanations given to the Committee are complete in all respects and do not leave out the figures.

The Committee decided that the item should come up again along with the accounts of 1960-61 when the Department should furnish all the necessary facts.

## INDUSTRIES, COMMERCE AND MINERAL RESOURCES DEPARTMENT

III. The Committee then considered the explanation of the Industries, Commerce and Mineral Resources Department in respect of the following item appearing in the accounts for 1957-58:—

Page 55-56, Para. 61—67—*Mela Ram Cotton Mill, Lahore*—The Mill was leased out to M/s. Rashid, Ghani and Malli with effect from 12th September, 1954 and remained in their custody up to 2nd February, 1955. With the transfer of the possession of the Mill, the possession of the stock and stores of the value of more than Rs. 10,00,000 of the Industries Department was also transferred to the lessees on the condition that these stocks would be disposed of by the Government against a bank guarantee of Rs. 4,00,000 secured by the Rehabilitation Department. The lessees during their very short lease period of five months consumed or sold or otherwise disposed of the Government stocks and stores to the tune of Rs. 4,85,176. The amount of Bank Guarantee of Rs. 4,00,000 could not be recovered as the guarantee was defective and the amount was withdrawn from the bank by the lessees.

The matter was last considered by the Committee at its meeting held on 23rd April, 1966 when the Department explained that an application for appointment of an arbitrator for determining the value of stock and stores which was recoverable from the parties had been filed in the Court of Senior Civil Judge, Lahore. As regards the recovery of the amount from the Central Co-operative Bank Ltd., Sialkot, the matter was under consideration of the Law Department. The Committee then noted with

regret that no further progress had been made with regard to the recovery of the amount. The Committee felt that merely to have cases pending in the court did not hold the recovery of the amount. What was actually required was the proper pursuing of the cases and more determination to try to get these cases decided early. The Committee directed the Department that in case the guarantee furnished by the Central Co-operative, Bank Ltd., Sialkot was not valid or good, the matter should have been reported to the Co-operation Department for action against the said Bank. In the opinion of the Committee even now this should be done. The Committee desired that more vigorous efforts should be made for the recovery of the amount.

The Department now explained that the matter came up for hearing in the court on 29th June 1966. The defendant party requested the court for some time to enable them to submit their written statements. The case has been fixed up for 19th September, 1966. The matter has also been referred to Law Department for further scrutiny of the Bank Guarantee and advice in the light of the observations of the Standing Committee on Public Accounts.

After hearing the explanation to various queries raised by the Committee during the course of discussion, the Committee instructed the Department to:—

- (i) furnish detailed explanation as why a guarantee of Rs. 4,00,000 was accepted as against the Stores worth Rs. 10,00,000;
- (ii) expedite Law Department to examine the question of the Bank Guarantee and advice early; and
- (iii) to examine the possibility of filing a criminal case against the defaulters.

The Committee decided that the exact position should be reported to it in next meeting when the accounts for 1960-61 are considered.

IV. The Committee then considered the explanation of the following Departments in respect of items appearing in the accounts for 1959-60:—

#### INDUSTRIES, COMMERCE AND MINERAL RESOURCES DEPARTMENT.

(1) *Page 27-28, Para 40—Transfer of expenditure from Commercial to Education side*—In this case an expenditure of Rs. 4,19,822 was transferred from the Commercial to the Education side and a profit of Rs. 3,66,581 was thus shown. But for this transfer of expenditure, the profit would not have been there and the books would have shown a loss of Rs. 53,241.

The matter was last considered by the Committee at its meeting held on 23rd April, 1966 wherein it was stated that in accordance with the recommendation of the previous Standing Committee on Public Accounts, a Committee had been appointed to consider the justification of the transfer of this expenditure and it would go into this question.

The Department now stated that the Departmental Committee constituted by the Finance Department to examine the procedure for the transfer of expenditure from Commercial to Education side have concluded their deliberations. This Committee has recommended that the Budget should be prepared separately for the Education side and the Commercial side. For the current financial year, the existing arrangement would continue. For future, separate accounts will be maintained for education side like Government Accounts and for factory, Commercial Accounts.

The para. was dropped.

(2) *Page 27-28, Para. 41—Sundry creditors*—In this case, amount of sundry creditors stood at Rs. 2,13,153 at the close of the year. In the last meeting held on 23rd April, 1966, the Department could not furnish the names of creditors and the amount due to each of them. The Department was asked to furnish detailed list of sundry creditors.



The Department now explained that out of the outstanding amount of Rs. 2,13,153 a sum of Rs. 1,80,963 has been cleared upto 30th June, 1966 leaving a balance of Rs. 32,190 and that efforts are being made to clear this outstanding amount and the parties have been asked to confirm their balances. The Department hoped that the total amount would be cleared during the current financial year.

The para. was dropped subject to verification by Audit of the clearance made and the clearance of balance amount.

(3) *Page 27, Para 43—Sundry Debtors*—The amount of sundry Debtors at the close of the year under review stood at Rs. 2,17,512.

The matter was last considered by the Committee at its meeting held on 23rd April, 1966 when the Committee asked for the complete list of debtors.

The Department now explained that a sum of Rs. 18,118-00 has been realised up to 30th June, 1966 leaving a balance of Rs. 66,561 out of which Rs. 16,784-15 is outstanding against various Government Department from prepartition period, Rs. 24,316-78 is outstanding against Government Departments from 1947 to 1959-60 and Rs. 25,459-93 is outstanding against private parties. Out of this last amount, a sum of Rs. 17,488-48 is outstanding against one Mr. Mahboob Saeed against whom legal action is being instituted and a Civil Suit will be filed in the Court. For the balance amounts, efforts are being made to recover the amount.

Subject to verification by the Audit of the recoveries made, and pursuing the matter vigorously by the Department to effect recovery of the balance amount, para. was dropped.

(4) *Page 28, Para. 44—Excesses and Shortages of Stores worth Rs. 24,020 and Rs. 29,263*—In this case the Stock and Store showed excesses and shortages in stock and stores amounting to Rs. 24,020-00 and Rs. 29,263-00 respectively.

The matter was last considered by the Committee at its meeting held on 23rd April, 1966 wherein the Committee was informed that as there was no quality control on the cloth produced at the mill, the cloth of one quality gets mixed with the cloth of the other quality which resulted in excess in one quality and shortage in the other. The Committee at that time observed that the entire administration and control of this mill required re-organisation.

The Department now informed that the General Manager, Government weaving and Finishing Centre, Shahdara has taken necessary remedial measures and the posting in the ledgers are now being checked daily and mistakes corrected. The General Manager has also introduced surprise checks of the stores and necessary disciplinary action is taken against the concerned officials for any discrepancy found. The above action will minimize the cases of excesses and shortages. The sanction of Government for the write off of shortages and accounting for the excesses was referred to the Finance Department on 20th April, 1966 who in turn asked for certain additional information which is being collected.

The Department further explained that they were completely dissatisfied with the working of this Unit. It has been running into a loss for years. They would try to reorganize the whole thing which might include getting rid of the commercial wing of that organisation.

The Committee observed that these affairs of the Unit needed to be looked into and they should be a little more vigilant. The Committee further observed that they would like to have a fuller report in this regard during their series of meetings when accounts for 1960-61 are being considered.

(5) *Page 50, Para 63,—Excesses and Shortage of Stores in Government Demonstration and Weaving Factory, Shahdara*—As the para. has been included in the Commercial Accounts for the year 1960-61, it was dropped from here.

(6) *Pages 9-10, Para 18 (XII)—Non compilation of Accounts of Excise and Salt Department*—The Department explained that:—

- (i) The Commercial Accounts of the Salt Department for the year 1958-59 have already been audited and published in the compilation of Government of West Pakistan Commercial Accounts, 1961-62 and Audit Report 1963;
- (ii) The Commercial Accounts of the Salt Department for the year 1959-60 have also been audited and are under print in the compilation of Government of West Pakistan Commercial Accounts 1964-65;
- (iii) The Commercial Accounts 1960-61 and 1961-62 relate to Central Government period. The accounts for the year 1960-61 are under Audit which will be printed in the next compilation of Central Government Accounts. The Audit of the Accounts for the year 1961-62 will be taken up thereafter;
- (iv) The compilation of Commercial Accounts was in arrears from 1957-58 and onward when the Corporation took over the charge of the Salt Mines. These accounts have been compiled up to the year 1960-61. The 1961-62 Accounts are being prepared. Accounts for the period of W.P.I.D.C. are up to date.

The explanation was found satisfactory and the para was dropped.

(7) *Pages 9-10, Para. 18 (VIII)—Non compilation of Accounts of Government owned Salt Stores at Saran*—The Department explained that it has recently been decided by the Government of West Pakistan that the compilation of *pro forma* accounts of Government owned Salt Stores at Saran is the concern of W.P.I.D.C. being the successor of defunct Excise and Taxation Department. Necessary arrangement is being made in this behalf although the Corporation never took over the charge of this Salt Work.

The Department further explained that they have prepared the accounts for this institution and they are now ready for Audit. When the audit takes place they would be included in the compilation for the next year and would be coming up before the Committee in due course.

The para. was dropped.

(8) *Page 9, Para. 18 (ii)—Non compilation of the Accounts of the Sales and Display Depot, Lahore*—In this case the accounts of the Sales and Display Depot, Lahore had not been compiled by the Department for the year 1959-60.

The matter was last considered by the Committee at its meeting held on 23rd April, 1966 when the Committee was informed that the accounts of this organization had not been submitted to audit. The Committee noted with regret that the state of affairs was far from satisfactory as the accounts had not been prepared for a number of years and the Incharge of the Department paid no attention to this aspect of the matter. The action taken by the Department against the official responsible for such an extraordinary delay was not intimated to the Committee. The Committee hoped that the Department would now take necessary action and get the accounts prepared as early as possible.

The Department now explained that the accounts had been recasted for the year 1958-59 and 1959-60 and supplied to the Audit who returned them for recasting which according to the Department cannot be done unless the losses are written off for which Finance Department have been moved. The Committee directed that the Department should expedite the preparation of the accounts and obtain orders for a write off where necessary from the Finance Department. The accounts in any case should be submitted to the Audit as early as possible and report be submitted to the Committee when the accounts for 1960-61 are considered.

(9) *Page 22, Para. 24—Treasury Challans Missing (Rs. 24,437 ( ))*—In this case, during the audit of accounts of the Sales and Display Depot, Lahore it was observed that a sum of Rs. 24,437 was shown as deposited with the State Bank of Pakistan during the period from 23rd October, 1959 to 3rd June, 1960. However, the Treasury Challans in support of these deposits with the Bank could not be produced to Audit when called for.

The matter was last considered by the Committee at its meeting held on 23rd April, 1966 when the Committee was informed that credits for Rs. 24,166.10 were not available in the Treasury and the matter was being reported to the Police for investigation. The Committee was further informed that misappropriations were possible because there was no method by which it could be ensured by the Department that the amount was deposited every day into the Bank. The Committee recommended that this matter should be examined by the Department and a procedure for keeping a watch be adopted.

The Department now explained that a case has been registered with the Senior Superintendent of Police on 29th July, 1966 after getting verification of non-deposit from the Treasury Officer. The Committee was further informed that the sale proceeds are now deposited with the Bank on the next day and deposits are checked by the Officer-in-charge of the Centre and counter checked by the Controlling Officer.

The Committee observed that five years delay had taken place in reporting the matter to the Police and somebody must be held responsible for this inordinate delay. The Department should look into this aspect of the matter and fix responsibility for this delay and take suitable action against the official concerned.

The Committee decided that the para. should come up again when the accounts for the year 1960-61 are considered by it.

(10) *Page 22, Para 25—Outstanding Advance of Rs. 10,000*—In this case, a sum Rs. 10,000 was advanced to Assistant Director for meeting the redecoration expenses of the Sales Depot on 4th January, 1961. No account of the expenses incurred out of the advance on the decoration was rendered by the officer nor the Department asked him to do so. In the meantime the officer died.

The matter was considered by the Committee at its meeting held on 23rd April 1966 where the Department could not produce the details of the transaction made in the case. The Department was asked to state particularly as to whether the advance was paid before the work was being done and whether such payment was one of the terms of contract.

The Department now explained that the Government had sanctioned Rs. 31,000 for the Sales and Display Depot, Lahore on the Visit of Queen Elizabeth. Due to exigency, out of this amount, Rs. 10,000 was drawn and paid to late Mr. A.A. Abbasi, Assistant Director, to get the work done. This amount was drawn in advance before the work was taken into hand according to the sanction of the Government and adjusted against final bills during the month of June, 1962.

The para. was dropped subject to verification of adjustment by the Audit.

(11) *Page 746, Items No. 2 to 6*—The Department stated that all these cases were registered with the Police in December, 1961. The Police has completed the investigation and have prepared 9 challans against the accused. At present, these cases have been submitted to the Prosecution Branch of Police. These cases will be heard by the Special Magistrate, Anti-corruption, Chaudhri Abdul Hameed.

The Committee enquired whether the cash security or a fidelity bond was obtained from the Accountant-cum-Cashier, who is involved in these cases, and if no security or fidelity bond was obtained, who was responsible for this omission. This information was not available.

The item was deferred to the next meetings of the Committee when the accounts for 1960-61 are considered.

## FINANCE DEPARTMENT

*Page 746, Paragraph 1 (ii)—Alleged misappropriation by encashing of forged bills at Government Treasuries—Rs. 20,095*—The Director, Commercial Audit pointed out that in spite of his reminders, working papers in respect of this paragraph were not sent to him by the Finance Department. The Committee, therefore, did not consider this item and decided to take it when the Accounts for the year 1960-61 are considered.

## TRANSPORT DEPARTMENT—ROAD TRANSPORT CORPORATION

(1) *Page 222, Paragraph 198—Shortage of Stores worth Rs. 16,87,321*—The matter was last considered by the Committee at its meeting held on 23rd April, 1966 when the Road Transport Corporation explained that the officials held responsible for the shortages who were still in service had been charge-sheeted and as for the officials who were no longer in service, no action could be taken.

The Committee asked for the following information:—

- (1) When was the report of the preliminary inquiry submitted?
- (2) What was the gap between the submission of this report and Charge-sheeting?
- (3) What would be the extent of recovery?
- (4) To what extent the officials were responsible?
- (5) Numerical number of the officials who are still in service and against whom the Department is proceeding and how many of them have left service?

The following details were furnished by the Road Transport Corporation:—

- (i) The preliminary enquiry report was submitted by the Director, Anti-Corruption, Road Transport Corporation on 5th June, 1965.
- (ii) Charge-sheets were issued in December, 1965 to the Officers/Officials who were still in service.
- (iii) The extent of recovery has not been defined by the enquiry officer, and the matter is under consideration with the Competent Authority.
- (iv) As against Serial No. (iii) above.
- (v) As a result of preliminary enquiry, 34 officials were held responsible out of whom 4 are still in service. Departmental proceedings are being held against them.

The Committee was further informed that the Enquiry Officer completed his findings in April, 1966 and the report is under consideration of the Road Transport Corporation for final orders.

The Committee observed that the progress is not satisfactory and deferred the para for consideration along with the accounts for 1960-61.

(2) *Page 222, Para 199—Pilferage of 497½ Lbs. of Tin Ingots valuing—Rs. 4,444*—The matter was first considered by the Committee on 26th November 1966 when the Department had stated that the Store-Keeper who was held guilty of pilferage had furnished a security of Rs. 5,000, in the form of fidelity bond with the Co-operative Insurance Co., and that a claim was lodged with that Company on 4th March, 1965 and the matter was being pursued. The Committee was further informed that the Head Store-keeper was sentenced to one year Rigorous Imprisonment.

The matter was last examined on 23rd April 1966 when the Committee was informed that the Head Store-keeper was not covered with any Fidelity Insurance Guarantee at the time the material was stolen from the Central Stores. The Committee considered this to be a very serious matter that wrong information was furnished to the Committee and asked the Department to report to the Committee at its next meeting whether the responsibility for furnishing wrong information had been taken against the person concerned.

The Committee was further informed that the money could not be recovered from the Store Purchase Officer as he was dead and from the Manager of the stores as he was no longer in service. The Committee came to the conclusion that there was no much likelihood of the amount being recovered and suggested that definite steps should be taken to settle this matter finally and to report the result to the Committee at its next series of meetings.

The Department now explained that Mr. Dilwar Khan, the Manager Central Store, Lahore supplied information in 1962 that Mr. Rahim Bakhsh who had been convicted was insured and that loss could be recovered from the Insurance Company. He has been censured and the amount written off.

The explanation was found satisfactory and the paragraph was dropped.

(3) *Page 222-223, para. 201—Accumulation of surplus and absolute stores and spare parts—Rs. 1,84,224*—The matter was last considered by the Committee at its meeting held on 23rd April 1966 when it was observed that stores valuing Rs. 55,693 which were transferred to the Central Stores Office from the unit continued to stay on the books of the Unit. A doubt arose as to whether this was a fictitious. The Chairman, Road Transport Corporation, explained that it was only a procedural matter and that there was no question of any loss involved because so long as the stores continued to be on the books of the unit they had to be accounted for. The Director Commercial Audit, was of the view that this was a very extraordinary procedure because as soon as the stores were transferred from a unit it should be shown in the books of that unit to have been transferred to the Central Stores Office and the Central Stores office books should show their receipt and disposal. The Committee then decided that this point should be examined by the Department and a report be placed before the Committee at the next meeting.

The Chairman Road Transport Corporation now stated that—

- (i) No entry for Rs. 55,693 regarding the despatch of stores from Government Transport Service, Dera Ghazi Khan to Central Stores, Lahore exists in the books of the Service for the year 1959-60 as mentioned in the Commercial Accounts Report under paragraph 201. It is thus not clear as to how and from where this figures has been picked up by the Audit.
- (ii) Obsolete/Surplus spare parts worth Rs. 1,01,085 were consigned by the Service to Central Stores for disposal during the period up to 30th June 1960. Entries in respect of these goods were made in the financial books of the Service on the analogy of "Consignment Account". Their position is indicated below:—

	Rs.
(a) Value of Stores since disposed off through auction/ otherwise.	48,101.30
(b) Value of Stores stolen in 1957 and awaiting write off	2,025.29
(c) Value of Obsolete/Surplus stores waiting disposal	50,908.45
Difference (being traced)	49.96
<b>Total</b>	<b>1,01,085.00</b>

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

(4) *Page 223, paragraph 202—Loss due to the burning of a bus Rs. 22,085—* This para was dropped in the last meeting of the Committee held on 26th November 1965. During the discussion it was revealed that Road Transport Corporation does not insure its buses with any outside agency, instead they have an internal insurance scheme of their own. The Committee desired to know the details of the working of the internal insurance scheme for the last five years and as to how it would have fared in case the buses had been insured with a commercial insurance company.

The Chairman Road Transport Corporation now explained the full details of the insurance scheme to the Committee.

He further explained that if the Road Transport Corporation had insured the Vehicles under 3rd Party Insurance, the Road Transport Corporation would have paid premiums amounting to Rs. 15,13,470 during these five years. As against this amount, the Insurance Company would have disbursed Rs. 1,06,725 towards the claims and the balance amounting to Rs. 14,06,745 would have been their income. Therefore, the Road Transport Corporation saved an expenditure of Rs. 14,06,745 during these years. On the other hand, if the Road Transport Corporation had insured Vehicles with an Insurance Company under Comprehensive Unlimited Liability Scheme, the expenditure on premiums would have been Rs. 92,86,728. If the claims amounting to Rs. 9,49,028 on account of damages to Vehicles and compensation etc., had been paid still the Insurance Company would have had earned a net Income of Rs. 83,37,700 during the last five years. Therefore, the Road Transport Corporation had saved an expenditure of Rs. 83,37,700 which would have otherwise adversely affected the profits on this account.

The explanation was found satisfactory and the paragraph was dropped.

(5) *Page 223, paragraph 203—Shortage of Stores in transit Rs. 20,000—* In the last Meeting of the Committee held on 26th November, 1965 the Chairman Road Transport Corporation, explained that the cost of 20 sets of piston rings and 6 pieces connecting rod bearing amounted to Rs. 1,316 and not Rs. 20,000 as stated by the Audit. The Senior Store-keeper was held responsible for the loss to the extent of 40 per cent and Rs. 527.67 had been recovered from him. With regard to the remaining loss Assistant Works Manager and the driver of the bus were held responsible but they were no longer in service and hence the amount was written off. He was then asked to put up full facts of the case in chronological order, along with the relevant papers to the Committee which he did in the present meeting.

The explanation was found satisfactory and the paragraph was dropped.

(6) *Page 223, Paragraph 204—Loss of Rs. 1,13,215 in the operation of buses—* In this case, the operation of worn out Chevrolet and Bedford buses resulted in a loss of Rs. 1,13,215 approximately during the year 1960-61.

The matter was last considered by the Committee at its meeting held on 26th November, 1965 when the Committee was informed that the supposed loss represents the expenditure incurred on the maintenance and up keep of the depreciated Chevrolet and Bedford buses at Peshawar. Besides this it was pointed out that Road Transport Corporation had to operate services on unremunerative routes in far flung areas. The Committee desired that a statement showing the number of buses running in each region during the year under report and the number amongst them which were uneconomical should be submitted to the Committee.

The Road Transport Corporation now submitted the following statement:—

Serial No.	Name of Unit	Total buses in operation	Total uneconomical buses on Road
1	G.T.S., Peshawar	.. 244	21
2	G.T.S., D. G. Khan	.. 132	12
3	G.T.S., Lyallpur	.. 201	30
4	L.Q.S., Lahore	.. 205	—
5	G.T.S., Rawalpindi	.. 216	52
6	G.T.S., Hyderabad	.. 105	17

The explanation was found satisfactory and the paragraph was dropped.

(7) Page 223, Para. 206—*Failure to obtain refund of Road Tax amounting to Rs. 58,512*—In this case according to the orders of Government, Road Tax becomes refundable in respect of the vehicles which remain off road for a complete month. To take advantage of the provision an intimation as to be sent to the Taxation Department in respect of the Vehicles which either remained off road in the previous quarter or are likely to remain garaged during the succeeding quarter.

During the course of audit of account of a Unit, it was found that a sum of Rs. 6,685 became due on account of Road Tax in respect of vehicles remaining off road during the period from 1st April, 1957 to 30th June, 1959 but the refund could not be obtained from the Taxation Department due to delay in preferring the claim. Similarly in an other Unit, refund of Road Tax amounting to Rs. 22,471 and Rs. 29,356 was not obtained in respect of vehicles which remained off road during the period from 1st April, 1955 to 30th June, 1959 and 1st July, 1959 to 30th June, 1960, respectively.

The matter was last considered by the Committee at its meeting held on 26th November, 1965 when the Chairman Road Transport Corporation stated that Rs. 22,471 and Rs. 29,356 had been recovered and that the balance pertained to Government Transport Service, Peshawar and was in the process of recovery and that an appeal had been filed in this connection.

The Road Transport Corporation now explained that the appeal filed by the Road Transport Corporation, was accepted in May, 1966 by the Commissioner, Peshawar Division, Peshawar and that the amount (Rs. 6,685) would be adjusted quarterly against future payments of Road Tax.

The para was dropped subject to verification of adjustment by Audit.

(8) Page 224, paragraph 208—*Shortage of stores worth—Rs. 18,577*—In this case shortages of stores worth Rs. 12,765 and Rs. 5,812 were detected during the audit of stores ledger for the year 1955-56.

The matter was last considered by the Committee at its meeting held on 26th November 1965, when the Committee directed that this matter be placed before the Committee after the action taken by Road Transport Corporation is verified by the Audit Department.

The Committee found that no progress has been made in this case since the last meeting. The Committee asked the Road Transport Corporation to explain as to why no progress has been possible? The para was deferred to be taken up again along with the accounts for the year 1960-61.



(9) Page 225, Para. 211—*Shortage of cash worth Rs. 1,642*—In this case a sum of Rs. 1,642 was found short with the Cashier on 15th April, 1951. The shortage was caused due to the non-observance of the rules of the Board.

The matter was last consider by the Committee at its meeting held on 26th November, 1965 when the Committee deferred consideration of this para till the outcome of the departmental proceedings was known. The Road Transport Corporation now explained that the total accumulation available in the C.P. Fund Account of Mr. Muhammad Akram, Cashier (now Junior Clerk, L.O.S., Lahore) has been with held till the Departmental enquiry, which was started after procuring the relevant record in September, 1966 from the Court is furnished and necessary orders are passed by the competent authority.

The Committee decided to drop the para. subject to verification by the audit of recovery of the amount from the individual or the write off as a result of the pending departmental inquiry against the Cashier.

(10) Page 252, Para. 235—*Difference in balances*—In this case the ledger balances of the Headquarters Office on 31st March, 1958 showed an amount of Rs. 85,81,083 as Advance made to the Director-General Supply and Development and Audit Officer, Industries Supplies and Food while the account rendered by the offices showed the balance on that date as Rs. 23,82,101. Therefore, there existed a difference of Rs. 61,98,982. The authenticity of the figures of Rs. 85,81,083 appearing in the Board's Ledge was therefore, open to doubt.

The Road Transport Corporation explained that the difference of Rs. 61,98,982 between the book balance of the Board and the account rendered by the A.O.I.S.F. Karachi was mainly due to non-receipt of the vouchers from the Audit Officer in support of his Statement of Accounts Documents were, however, collected at personal level and the difference adjusted in the Accounts for the year 1958-59, 1959-60 and 1960-61, 1964-65 as per details given here under:—

	Rs.
Balance as per Board Books ..	85,81,083
Balance as per Statement of A/C by A.O. I/S & F ..	23,82,101
Difference ..	61,98,982
(1) Vouchers Adjusted in 1958-59 ..	53,39,117
(2) " " 1959-60 ..	1,49,252
(3) " " 1960-61 ..	2,05,042
(4) " " 1964-65 ..	54,565
(5) Vouchers awaited from D.G.S. & D ..	4,51,006
Total ..	61,98,982

As soon as vouchers for 4,51,006 are supplied by A.O.I.S. & F., Karachi, necessary adjustments will be made to settle the account. For procurement of vouchers, the matter is under correspondence at the level of Member Finance, Road Transport Corporation and the A.O.I.S. & F., Karachi.

The Committee observed that the adjustment of Rs. 56,47,976 stated to have been made should be verified by the Audit and the R.T.C. should make strenuous efforts to recover the balance amount of Rs. 4,51,006 and submit a report thereto in the next meeting of the Committee.



(11) *Page 252, Para. 237—Sundry Debtors*—In this case the statement of affairs of the Central Stores Organisation of the Transport Board showed a sum of Rs. 67,05,956 recoverable from debtors at the end of the period under review as against Rs. 54,61,545 shown at the end of the preceding period. Thus there has been an addition in the Sundry Debtors Account of Rs. 12,44,411 during the period under review.

The R.T.C. explained that out of Rs. 67,05,965, a sum of Rs. 53,65,260 was accordingly adjusted up to 31st May, 1965. The remaining amount of Rs. 13,340,696 has been adjusted up to 30th June, 1966 except a paltry sum of Rs. 3,188·12 which is still under reconciliation. For speedy realization of debts, necessary instructions were issued to all the Units to reconcile their Accounts with the Central Stores before the close of financial year 1964-65 and to get all their bills settled through book adjustment as they did not relate to private parties.

The para was dropped subject to recovery of Rs. 3,188·12 and verification of Adjustment by Audit.

(12) *Page 278, Para. 253—Shortage of Stores worth—Rs. 15,091*—In this case the physical verification of Stores conducted at the end of the period was found defective in as much as stores valuing Rs. 15,091 were found short of which stores of the value of Rs. 12,215 were taken on the Physical verification lists and the balance of Rs. 2,876 kept under suspense.

The R.T.C., explained that it is admitted that on physical verification stores valuing Rs. 15,091 were found short on 31st March, 1958. When this shortage was pointed out to be the District Manager, he informed that a consignment containing spare parts valuing Rs. 12,215 had escaped verification due to its wrong location. This reduced the shortage to Rs. 2,876. After several reconciliations made to locate the difference, the amount of shortage stood reduced to Rs. 230·23 only for which departmental enquiry was ordered in September, 1966. As soon as the decision is arrived at, necessary action would be taken against officials held responsible for the shortages.

The para. was dropped subject to verification of the recovery of Rs. 230·23 by the Audit.

(13) *Page 314, para. 279—Fixed Accounts*—In this case physical verification of fixed Assets, Plant and Machinery, etc., was not conducted during the period under review.

The R.T.C., explained that physical verification of all Assets including stores etc, had been carried out. A misunderstanding arose on account of non-availability of the requisite certificates on the list. He further stated that physical verification are now being carried out before the close of the financial year in all the Units of the Corporation.

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

(14) *Page 330, Para. 292*—In this case amount of Rs. 4,10,876 was shown as payable from the several years against "Treasury Account" on the Liabilities side of the Balance Sheets.

The R.T.C. explained that a sum of Rs. 3,54,854 was deposited into the Government treasury during the year 1958-59 reducing liability to Rs. 56,022. A further sum of Rs. 47,807 was paid to Government during the year 1964-65 and thus reduced the balance to Rs. 8,215, out of which Rs. 559 were also realized during August, 1966. For the remaining amount of Rs. 7,656, a reference has been made to Government for formal approval of the write off ordered by the Board for Rs. 310 while the Transport Department was also informed in August, 1966 that the balance of Rs. 6,846 related to recovery from Sundry Debtors belonging to the period prior to the formation of Punjab Road Transport Corporation. The amount has accordingly been struck off the Books of Road Transport Corporation for which formal approval of the Government is awaited.

The para. was dropped subject to verification of write off a sum of Rs. 7,656 by Audit.

(15) *Page 381, para. 332—Increase in Liability*—In this case the liability under Central Stores Suspense showed upward trend, as under:—

Year	Amount Rs.
1955-56	.. 7,98,767
1956-67	.. 12,15,493
1st April, 1947 to 13th October, 1957	.. 11,47,519
15th October, 1957 to 31st October, 1958	.. 17,85,965

The increase was mainly attributed to the non-receipt of invoices from the Manager, Central Stores. The desirability of early liquidation was brought to the notice of the Board by the Audit.

The R.T.C. explained that out of Rs. 17,85,965, a sum of Rs. 17,79,855 was adjusted up to 30th June, 1965 and the balance of Rs. 6,110 was cleared during the financial year 1965-66.

The para. was dropped subject to verification of adjustments by Audit.

(16) *Page 397, Para. 349*—In this case the amount outstanding against Sundry Debtors increased from Rs. 84,89,873 to Rs. 96,45,991 at the end of the year under review.

The R.T.C. explained that—

- (i) Out of Rs. 96,45,991 a sum of Rs. 88,59,270 on account of spare parts supplied by the Central Stores to all the Units of the Board, the cost of bus bodies fabricated in the Body Building Workshop and recoveries due from Private Parties have been adjusted in books leaving a balance of Rs. 7,86,721 up to 30th June, 1966. A sum of Rs. 42,588 has however been further recovered in cash from Private Parties etc. The break up of balance of Rs. 7,44,132 is that a sum of Rs. 5,39,089 is adjustable on account of Inter-Unit transactions, Rs. 1,26,742.64 are due from Government Departments and private parties, while Rs. 78,302 are adjustable on decision of policy regarding income tax assessment of Road Transport Corporation's earnings and receipt of vouchers from High Commissioner of Pakistan in U. K. Thus only a sum of Rs. 1,26,742.64 remains to be recovered by various Units of the Road Transport Corporation and detailed below:—

	Rs.
(1) Lahore Omnibus Service, Lahore ..	68,555.16
(2) Government Transport Service, Lyallpur ..	70.53
(3) Government Transport Service, D. G. Khan ..	11,666.01
(4) Government Transport Service, Hyderabad ..	4,318.22
(5) Government Transport Service, Rawalpindi ..	7,031.00
(6) Government Transport Service Peshawar ..	35,101.72
Total ..	1,26,742.64

- (ii) With regard to departmental debtors for Rs. 5,39,089 efforts are being made to clear this amount by book transfer.

The Committee decided that the Audit should verify the recoveries/adjustments stated to have been made by the R.T.C., and that the R.T.C., should take action at the earliest to recover/adjust the balance of Rs 7,44,133 and report the progress to the Committee in the next meeting when the accounts for 1960-61 are taken up for consideration.

(17) *Page 397, para. 350—Sundry Creditors*—In this case the liabilities on account of Sundry Creditors registered sharp increase. The liability at the Commencement of the year under review stood at Rs. 2,93,70,289 which rose to Rs. 3,82,32,595 as on 30th June, 1959.

The R.T.C. explained that out of total amount of Rs. 3,82,595 liabilities to the June of Rs. 3,54,45,550 have been liquidated. Out of the balance amount of Rs. 27,87,045 vouchers for Rs. 4,35,991 are under verification and as soon as necessary particulars are tallied they will be adjusted during the year 1966-67. The remaining liability of Rs. 23,51,054 relates to inter-unit transactions and such vouchers as are awaited from the A.O.I.S. F. Karachi.

The Committee decided that the progress made should be reported to the Committee when the account for 1960-61 are considered.

(18) *Page. 444, Para. 381—Decrease in Profit*—In this case the audit objection was that in spite of the fact that the Capital Investment increased considerably from year to year since the year 1954-55, the net profit earned during the succeeding year showed a marked decrease.

It is admitted by the R.T.C. that there was decline in the profits of Lahore Omnibus Service, Lahore since the year 1955-56. The reasons for the decline in the profits for the year 1955-56 and 1956-67 were explained to the Committee in its meeting held on 15th February, 1965 which were accepted by the Committee. According to R.T.C. in order to present a true picture of decline in profits during the year 1957-58 and 1958-59, it will be necessary to base the analysis on mileage operated with reference to income earned during each of these years.

He contended that in fact the income increased by Rs. 14,19,707 in the year 1957-58 and by Rs. 48,69,659 in the year 1958-59 as compared with the year 1954-55 and that there has been no deterioration in the income with the increase of Assets. But the increase in income was not proportionate to the addition of Assets due to supply of buses to this unit in piece-meal during these years on account of which major portion of these buses did not operate for the full year in each of these years while the cost of the Assets was included for the full year. This was the reason that there was no proportionate increase in the income as compared with the addition in the Assets during these years.

The Committee found the explanation satisfactory and the para. was dropped.

(19) *Page 461, para. 397—Sundry Debtors* The Audit pointed out that out of the amount of Rs. 1,04,239 shown under Sundry Debtors, the following amounts were old and appeared to be doubtful of recoveries;

- (1) An *Ex-conductor* (absconding and untraceable) Rs. 5,495.
- (2) District Officials, Rawaldindi (Due since 1947-48 and disputed) Rs. 26,711.
- (3) P.W. Railway—Rs. 4,035.

The R.T.C. stated that—

- (i) Rs. 5,495 recoverable from an *Ex-Conductor* had already been written off by the Board as it was unrecoverable;
- (ii) Regarding Rs. 25,511.00 payable by Ministry of Kashmir Affairs, the Government have sanctioned the write off on 1st March, 1965;

(iii) Regarding Rs. 1,186.00 due from Superintendent of Police, Rawalpindi the matter was fully explained to the Committee in its meeting held on 22nd September, 1964 and the Committee had dropped the point;

(iv) Rs. 4,035 Outstanding against Pakistan Western Railway is a total of several deductions made by them from the bills submitted by the District Manager, G.T.S., Rawalpindi. The deductions made by the Pakistan Western Railway authorities were further discussed with them by the District Manager, G.T.S., Rawalpindi and the Railways agreed to restore claims amounting to Rs. 2,351 for which payment has been received. The balance of Rs. 1,684 will be written back by the G.T.S., Rawalpindi on receipt of bill-wise deductions not restored by the Railways. Items (i), (ii) and (iii) were dropped.

Item (iv) was dropped subject to verification of adjustments by the Audit. (20) Page 530, Para. 448—*Sundry Debtors*—Rs. 72,512—The R.T.C., explained that out of the sum of Rs. 73,512, a sum of Rs. 66,793.76 was recovered up to the end of the year 1957-58. The balance of Rs. 5,717.86 due from the Police Department has also been realized up to 30th June, 1966. Nothing remains outstanding. Subject to verification of recoveries, the para was dropped.

(21) Page 518, para. 462—*Sundry Debtors*—Rs. 9,55,027—The R.T.C. explained that out of Rs. 9,55,027.37 outstanding against various Units of the Corporation on account of fabrication of bus bodies by the Body Building Workshop on 30th June, 1959, a sum of Rs. 5,97,674.72 was recovered from units concerned up to 30th June 1964. The balance amount of Rs. 3,57,353.65 has been cleared up to 30th June, 1966.

Subject to verification by Audit of the recoveries made, the para. was dropped.

(22) Page 565, para. 476—*Sundry Debtors*—Rs. 98,02,494—The R.T.C., explained that out of Rs. 98,02,494, a sum of Rs. 90,63,981 on account of spare parts supplied by the Central Stores to sister Units the Cost of bus bodies fabricated in the Body Building Workshop and recoveries due from Private Parties have been adjusted in books leaving a balance of Rs. 7,38,513 up to 30th June, 1966. The break up of this balance is that a sum of Rs. 4,77,822 is adjustable on account of Inter Unit transactions, Rs. 1,82,389 are due from Government Departments and Private Parties while Rs. 78,302 are adjustable on decision of policy regarding Income Tax assessment of R.T.C.'s earnings and receipt of vouchers from High Commissioner of Pakistan in U.K. Thus a sum of Rs. 1,82,389 is to be recoverable by various Units of the Road Transport Corporation as detailed below:—

	Rs.
(1) L.O.S., Lahore ..	68,516
(2) G.T.S., Lyallpur ..	1,103
(3) G.T.S., D.G. Khan ..	26,475
(4) G.T.S., Hyderabad ..	49,356
(5) G.T.S., Rawalpindi ..	3,080
(6) G.T.S., Peshawar ..	33,859
<b>Total ..</b>	<b>1,82,389</b>

With regard to departmental debtors for Rs. 4,77,822 efforts are being made for their adjustment through book transfer.

The Committee observed that the R.T.C. should make strenuous efforts to effect the outstanding recoveries and report the progress to the Committee in the next meeting.

(23) Page 565, para. 477—*Sundry Creditors—Rs. 4,45,93,583.* The R.T.C., explained that out of total amount of Rs. 4,45,93,583 liabilities to the tune of Rs. 4,18,05,410 have been liquidated. Out of the balance amount of Rs. 27,88,173 vouchers for Rs. 4,35,991 are under verification and as soon as necessary particulars are tallied they will be adjusted during the year 1966-67. The remaining liability of Rs. 23,52,182 relates to Inter-Unit transactions and such vouchers as are awaited from the A.O.I.S. & F. Karachi. The details are given hereunder:—

(a) Vouchers awaited from A.O.I.S. & F.—		Rs.
(i) For G.T.S. Hyderabad	..	14,25,588
(ii) For Centres Stores	..	6,22,884
(iii) For G.T.S. Peshawar	..	1,44,304
Total		21,92,776
(b) Inter Unit Transactions		.. 1,59,406
Total	..	23,52,182

For procurement of vouchers from the A.O.I.S. & F. Karachi, the Member Finance, R.T.C., has personally, taken up the matter with him and it is expected that some settlement will be arrived at before the current financial year closes. With regard to Inter-Unit transactions the Chief Executive of the R.T.C., are specifically attending to their clearance by book transfer.

The Committee deferred the consideration of this item to the next meeting when the accounts for 1960-61 are considered.

(24) Page 586, para. 490—*Physical Verification of Assets*—No physical verification of assets held by the Headquarters Office was conducted at the end of the year under review. The actual existence of the same, therefore, was to be ascertained.

The R.T.C. explained that physical verification of assets as on 30th June, 1960 had inadvertently remained unverified. However, Physical verification of these assets in subsequent years were found in order. Obviously, there could have been no discrepancy in the assets as on 30th June, 1960.

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

(25) Page 636, Para. 518—In this case it was observed that no adjustment was made in the accounts in respect of the Motor Vehicles which were actually purchased but their prices were not known to the Unit. On advice by Audit these vehicles are being shown at the Provisional cost against a new sub-head "Suspense Account Motor vehicles" etc., in the Balance Sheet from the year 1958-59. The amount under head increased to Rs. 22,54,755 during the year under review. The unit has been advised to ascertain the actual prices and adjust its cost finally in the future years account.

The R.T.C., explained that this account was started with an opening balance of Rs. 22,54,755 on 1st July, 1960 in the books of G.T.S., Rawalpindi. The following adjustments and additions were made in this account upto 30th June, 1964 yearwise:

	Rs.	Rs.	Rs.
Balance as on 1st July 1960	22,54,755		
Additions for 1960-61	.. 34,76,892		
		57,31,447	
Less adjustments	..	26,87,946	
			30,43,501

Balance as on	.. 1st July, 1961	.. 30,43,501	
Additions for	.. 1961-62	.. 3,51,740	
Less Adjustments	..		33,95,241
			5,26,206
			<u>28,69,035</u>
Balance as on	.. 1st July, 1962	.. 28,69,035	
Additions for	.. 1962-63	.. 6,17,060	
			34,86,095
Less adjustments	..		59,641
Balance as on	.. 1st July, 1963	.. 34,26,454	34,26,454
Additions for	.. 1963-64	.. 52,24,994	
			86,51,448
Less adjustments	..		24,91,658
			<u>61,59,790</u>

according to R.T.C., this showed that the provisional prices were adjusted every year on receipt of relevant documents from the audit Officer I.S., and F. Karachi. But as inordinate delay had occurred in the receipt of documents in the past, an official from R.T.C., was specifically detailed to collect vouchers from the Audit Officer. As a result thereof, the Suspense Account was cleared to the extent of Rs. 59,63,437 and the balance of Rs. 61,59,790 stood reduced to Rs. 1,96,353 on 31st December, 1965. Further adjustments will be made as soon as total vouchers upto 30th June, 1964 become handy for which efforts are being made at personal level by the Member Finance, R.T.C., Lahore.

The explanation was found satisfactory and the para. was dropped subject to verification of adjustment.

(26) Page 696, para. 559—In this case a sum of Rs. 18,42,254 on account of supplies made to the Units was lying unbilled for as correct information regarding position of exact recoveries against supplies made was not ascertained. This reflected non-maintenance of proper record of supply and receipt. The R.T.C., explained that the entire amount had been billed for and settled. The bills are now being issued regularly as soon as bus bodies are fabricated and delivered to the Units concerned, and recoveries are also made promptly.

The explanation was found satisfactory and the para. was dropped subject to verification by the Audit of the settlement of the entire amount.

III. The Committee then adjourned to meet again on 3rd November, 1966 at 9-00 A.M.

LAHORE :  
The 2nd November, 1966.

ZAIN NOORANI  
CHAIRMAN,  
Studing Committee in Public Accounts.



**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 3RD NOVEMBER, 1966 AT 9-00 A.M. IN  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**I. The following were present—**

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|--|--|
| (1) Mr. Zain Noorani, M.P.A.   | .. Chairman.   |
| (2) Chaudhri Muhammad Nawaz, M.P.A.  | .. Member.   |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.  | .. Member.   |
| (4) Mr. Malang Khan, M.P.A.  | .. Member.   |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.   | .. Member.   |
| (6) Syed Akhlaq Hussain, T.Q.A., C.S.P., and<br>Mr. Asif Rahim, C.S.P., Additional Finance<br>Secretaries, Government of West Pakistan,<br>Finance Department.             | .. Expert Advisers.  |
| (7) Rana Muhammad Yasin, P.A & A.S., Accountant-<br>General, West Pakistan.  | By invitation  |
| (8) Mr. N.A. Chaudhri, P.A. & A.S., Director, Audit<br>and Accounts (Works), West Pakistan.  | By invitation.   |
| (9) Mr. S.M.A. Kazmi, C.S.P., Secretary to Govern-<br>ment of West Pakistan, Food Department.  | } By invitation (at<br>the time of Con-<br>sideration of the<br>items relating<br>to their respective<br>Department. |
| (10) Syed Munir Hussain, C.S.P., Secretary to Govern-<br>ment of West Pakistan, Industries, Commerce and<br>Mineral Resources Department.                                  |  |
| (11) Mr. Ahmed Hassan, P.S.E.I., Secretary to Govern-<br>ment of West Pakistan, Irrigation<br>and Power Department alongwith Chief Engineer<br>and Member (Finance) WAPDA. |  |
| (12) Mr. G. Yazdani, Malik, C.S.P., Secretary to<br>Government of West Pakistan, Home Department.  |  |
| (13) Malik Abdul Latif, C.S.P., Secretary to Govern-<br>ment of West Pakistan, Education Department.   |  |

Chaudhri Muhammad Iqbal Secretary Provincial Assembly of West Pakistan  
acted as Secretary of the Committee.

**II.** The Committee in the first instance considered the explanation of the  
Food Department in respect of para. 17(c) (26)(iv) of the Appropriation Accounts for  
the year 1957-58.

Secretary Food had stated before the Committee on 28th October, 1966 that  
an appeal had been filed in the High Court. The next day the Secretary Food in-  
formed the Committee by means of a letter that the statement made earlier was wrong  
and that an appeal had been filed in the Court of the District Judge, Karachi and the  
judgement had not been pronounced by the District Judge. The Committee on  
receipt of this letter desired that the Secretary Food should appear before the Com-  
mittee on 3rd November, 1966 and explain why a wrong statement was made  
initially.

The Secretary Food who appeared before the Committee said that subordinate  
officers had supplied him incorrect information and he was sorry for that. The  
Committee accepted his regrets and directed that when the para comes up again be-  
fore the Committee, the Department should inform the Committee of the action  
taken against those officers who had supplied to the Secretariat incorrect informa-  
tion.



III. The Committee then examined the explanations of the Industries Commerce and Mineral Resources Department in respect of the following item appearing in the Appropriation accounts for the year 1958-59:—

*Page 3, para. 5. read with page 141 Grant No. 27 Industries Saving Rs. 5,20,644* At the meeting held on 18th April, 1966, the explanation of the Department for the saving under this grant was accepted by the Committee except with regard to the following savings:

- (1) Saving of Rs. 23,837 due to non-availability of cocoons.
- (2) Saving of Rs. 54,288 due to machinery indented for having not been received and certain posts having remained vacant for want of suitable men.
- (3) Saving of Rs. 11,280 due to non-receipt of machinery indented for.
- (4) Saving of Rs. 7,825 due to certain posts having remained vacant for want of suitable technical men.

The Committee directed that detailed explanations for these savings should be furnished to the Committee at its next series of meetings.

The Department now explained the savings as under:

(1) Saving of Rs. 20,837 occurred under contingencies of Sericultural scheme for the purchase of cocoons. Cocoons are generally available in large quantities in Quetta and Gujrat but during the year 1958-59 sufficient cocoons were not available with the result that requisite quantity which the Department expected to purchase could not be furnished. As this a seasonal commodity could not be purchased from any other source.

(2) Saving of Rs. 54,288 relates to Principal, Government Technical Institute, Khairpur which was transferred to the Directorate of Technical Education in October, 1960. The reasons for the saving have not been furnished by the Institute in spite of repeated reminders.

(3) Rs. 11,280—The amount actually relates to Woollen Centre, Chitral and Kaghan. The saving was due to non-purchase of machinery and equipment (to be manufactured locally) and not due to import of Machinery from abroad. These could not be purchased due to non-completion of building by the P. W. D. during the year 1958-59.

(4) Rs. 7,825—The saving was due to vacant posts for want of suitable technical men. These posts were advertised through Press/Radio/Employment Exchange, but no suitable candidates could be found for these places. The pay scales attached with these posts were so low as to attract outsiders to apply for these posts. As such these posts remained vacant throughout the year.

The explanation of the Department was accepted in respect of the saving of Rs. 23,837 and Rs. 7,825.

As regards the saving of Rs. 54,288 pertaining to the Government Technical Institute, Khairpur, the Committee directed that the Education Department should furnish explanations for this saving alongwith the items pertaining to the Appropriation Accounts for the year 1960-61.

The explanation of the Department for the saving of Rs. 11,280 was also accepted. The Committee, however, felt that the Officer Incharge should have been in a position to substantiate the claim of the Department that the building could not be completed in time and directed that the Department should enquire into this further and if this is not true, departmental action may be considered against the officer concerned.

The Committee wished to record that the entire amount of the saving on account of the above items should have been surrendered in time as the explanations furnished by the Department did not justify the non-surrender of the same.

Subject to these observations, the para was dropped.

IV. The Committee then took up consideration of the explanations of the following Departments in respect of the items appearing in the Appropriation Accounts for the year 1959-60 :—

#### INDUSTRIES, COMMERCE AND MINERAL RESOURCES DEPARTMENT

1. *Grant No. 36—Miscellaneous—57—Miscellaneous—A—Cost of Books and Periodicals—Saving Rs. 25,680*—Under this head out of the amount, allocated for the purchase of Books and Periodicals, an amount of Rs. 25,680 had been saved.

The Committee at its meeting held on 18th April, 1966 had asked the Department to furnish detailed information in respect of this saving.

The Department now supplied a list of the amount allocated to various Departments.

The Committee observed at this stage that the Department was not clear as to the purpose of the allocation under this grant nor was it in a position to state as to the nature of the books, the various departments could get under this head. It was necessary to get detailed information about this because certain departments were themselves purchasing books under their own grants as well as under this head, and in most cases books purchased under this head are of a general nature.

As the Department was not in a position to give complete details, the Committee desired that both the Industries Department and the Finance Department should look into this matter fully and this allocation particularly as to what type of books and periodicals are meant to be purchased under this head. The para would come back again before the Committee along with the items appearing in the accounts for the year 1960-61.

(2) *Page 3, paragraph 5 read with page 158. Grant No. 27—Industries—A—Industries, other than A-3 (e)—Saving Rs. 17,98,360*—Out of this saving, a saving of Rs. 2,82,562 pertains to the Directorate of Technical Education, Lahore for which the Industries Department has asked the Education Department to submit explanation.

The remaining saving of Rs. 15,15,807 pertained to —

- (a) West Pakistan Small Industries Corporation .. Rs. 8,53,501
- (b) Directorate of Industries and Commerce .. Rs. 6,62,306.

Saving pertaining to the West Pakistan Small Industries Corporation was under the following items :—

#### PESHAWAR REGION

	Rs.	
Woollen Centre, Kaghan ..	2,240	Due to less purchase of raw material which was not available and less expenditure on establishment.
Sales and Display Centre, Peshawar	22,220	Due to non-purchase of finished goods for the centre and late issue of sanction.
Sericulture Centre, Peshawar ..	34,930	Due to delay in passing of bills by the Comptroller due to which cocoons could not be purchased and less touring.

Cottage Industries, Centre, Peshawar.	Rs. 1,880	Due to non-appointment of technical staff.
Woollen Centre, Chitral ..	2,150	Due to less purchase of material being not available.

## MULTAN REGION

Cottage Industries Centre ..	49,121	Due to less purchase of goods, posts having remained vacant, non-adjustment and non-receipt of bills, non-drawal of bills due to objection and late issue of sanction.
Carpet Centre, D. G. Khan ..	1,888	Due to non-drawal of pay and non-payment of stipends.

## QUETTA REGION

Cottage Centre ..	1,50,000	Due to non-receipt of machinery from Japan.
Sericulture Development Centre, Mastung.	5,161	Due to non-drawing of unattractive area allowance by the staff for want of certain clarifications.
Woollen Centre, Mastung ..	6,658	Due to less purchase of material.

## HYDERABAD REGION

Cottage Industry Centre ..	1,90,139	Due to non-purchase of material for Cottage Industry Centre.
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## LAHORE REGION

Cottage Industries ..	3,59,242	Due to non-functioning of the centre on account of non-availability of suitable building and non-purchase of raw material.
Sericulture Centre ..	27,813	Due to transfer of 13 posts to Peshawar Region and non-purchase of cocoons.

The saving of Rs. 6,62,306 pertaining to the Directorate of Industries was attributed to—

- (i) Non-payment of contingent bills.
- (ii) Less touring.
- (iii) Non-receipt of laboratory equipments.
- (iv) Non-drawal of arrears of pay and allowances.
- (v) Non-purchase of wool.
- (vi) Delay in receipt of administrative approval.
- (vii) Non-passing of bills of weavers.
- (viii) Late admission of students.

(ix) Non-payment of salary to Manager, Weaving Mills, Shahdara on account of transfer and non-payment of salary to Medical Officer for want of Government sanction.

(x) Non-receipt of machinery for the Shahdara Mills.

(xi) Less transfer of funds from commercial side to education side; and similar other reasons.

The Committee noted these explanations and observed that all this amount could and should have been surrendered by the Department in time. Subject to this observation, the para was dropped.

(3) *Page 55, paragraph 17—VII—Delay in Disposal of Inspection Reports and Audit Notes*—The Department at the meeting held on 18th April, 1966, had informed the Committee that the Audit Notes had since been replied to. As regards action against the officer who was responsible for non-compliance with the Audit Reports in time, the Secretary apologised for not having met this part of the recommendation of the Committee and gave an undertaking that in next series of meetings he would be able to give detailed report in the matter.

The Department now informed the Committee that in respect of the Audit Note pertaining to the Steel Licensing Officer, Lahore, reasons for the delay have been ascertained. The Development Wing of the Directorate of Industries has been held responsible for this delay. The Deputy Director of that wing has been directed to fix responsibility on the official/officers who did not take action in time.

The item was dropped, subject, to the finalization of the action against the officials concerned.

(4) *Page 46, paragraph 27 (c) (28)—Shortage of Stores worth Rs. 4,396*—In this case, in an institution functioning under the control of the Industries Department of the West Pakistan Government, stores of the value of Rs. 3,581 were found short in the course of physical verification following the desertion of the store-keeper in 1947. A suit instituted against him in the Court of Deputy Custodian was dismissed. In the same organization a second store-keeper was appointed but he also left service later, allegedly after causing a shortage of Rs. 715. Security was not obtained from this store-keeper also. These shortages having been found irrecoverable have since been written off by the competent authority. The shortages in both cases had apparently been sustained due to defective procedure adopted in appointing the store-keepers without adequate securities and lack of proper checks by the supervisory staff.

At its meeting held on 18th April, 1966, the Committee accepted the explanation given by the Department that the recoveries could not be effected since the official concerned had migrated to India. The Committee, however, observed that the Department ought to have been vigilant and reported the matter in time to the Partition Council. The Committee felt that it was a very sorry state of affairs that the shortcomings and mistakes of a person who migrated to India in 1947 could not be detected upto 1959. The Committee asked the Department to explain as to who was responsible for not taking proper action in time to report the matter to the Partition Council.

The Committee was now informed that the shortage of stores was detected in 1948 and not in 1959. The shortage of the stores was reported to the Partition Committee and was discussed in a number of meetings with the Government of India with no result of recovery. The list of shortage was also supplied to the Director of Industries, Punjab (India). Ultimately a suit was filed with the Custodian of Evacuee Property which was dismissed on 15th May, 1954.

The shortages being irrecoverable had already been written off by Government.

The explanation was accepted by the Committee and the para was dropped.

(5) Page 217—Annexure—Serial No. 24—Shortage and Excessive issue of Stores—Rs. 3,263—In this case the Audit Department had pointed out that a shortage of Rs. 3,263 occurred due to the value of stores having not been accounted for and incorrect totalling. Besides this, excessive issues were noticed in store books, Book Balances were incorrectly certified as physically existing. It had been further reported in the Accounts for 1959-60 that the reply to this audit observation had not been received by the Audit.

At its meeting held on 16th March 1964, the Committee had asked the Department to explain as to why the irregularity had not been rectified and shortage of store not recovered.

The Department now stated that the reply to the audit observation had since been given and the matter had been settled by the Director of Commercial Audit.

The para was dropped.

(6) Page 3, paragraph 5 read with pages 72-73—Grant 1—Salt—

Rs.

Original Grant .. .. .	32,10,700
Surrenders .. .. .	12,41,280
Final Grant .. .. .	19,69,420
Expenditure .. .. .	16,63,095
Saving .. .. .	3,06,325

In this case a sum of Rs. 12,41,280 was surrendered because, according to the Department, the organization was transferred to the Central Government. Out of the modified grant of Rs. 19,69,420 a sum of Rs. 3,06,325 was spent resulting in a saving of Rs. 3,06,325. The Committee at its meeting held on 18th April, 1966 had accepted the reasons furnished by the Department for the saving except with regard to the saving of Rs. 53,152 which was due to non-payment of wages of miners for February, 1960 payable in March, 1960, before the close of the year. The Committee asked the Department to furnish details of the wages which should have been paid in February, 1960. The Committee also wanted to know whether similar savings in the past years had occurred and if so, for how long the wages were not paid. In the present case too, the Committee wanted to know how long the wages were not paid.

The Department now stated that an imprest money equal to the amount of the wages was issued to the Superintendent (Mine) on 11th March, 1960 from office cash for arranging disbursement to the miners. The payment was made on different dates as and when the miners came up for the receipt of their wages from 11th March, 1960 to 31st March, 1960.

The balance of Rs. 121-5-9 being the undisbursed amount was deposited back into the Departmental Treasury by the Superintendent (Mine) on 31st March, 1960 but unfortunately he did not render the accounts of the wages disbursed in time so as to recoup the imprest from the Departmental Treasury. The accounts of the disbursements were rendered by him on 14th April, 1960 and were recouped on 25th April, 1960 booking the expenditure in the Central Government Accounts, instead of the Provincial Government account resulting thereby in saving for the Province.

The Department further stated that as the saving had occurred due to sudden change of the mines from Province to Centre, there can be no precedents of similar savings in the past. Payment of wages from Mine Imprest has been regularly got reimbursed from the Government Treasury in the subsequent months.

The explanation of the Department was accepted by the Committee and the item was dropped.

### HOME DEPARTMENT

(1) Page 3, paragraph 5, read with page 203—Grant No. 38—Civil Defence—

	Rs.
Final Grant .. .. .	23,83,800
Saving .. .. .	9,34,404

The Department stated that :—

- (i) "In pursuance of the Central Government's Directive for Intensification of Civil Defence Measures during the year 1959-60, a provision of Rs. 13,29,550 for additional staff as well as for the procurement of necessary Civil Defence Equipment, appliances and vehicles, etc., from abroad was made in the Budget Estimates for the year 1959-60 in addition to the normal budget of Rs. 10,54,250 for existing Department. This total amount of Rs. 23,83,800 was accordingly sanctioned by the Government of West Pakistan, Finance Department, subject to the condition that the expenditure on Intensification Schemes should not be incurred unless the Central Government share the responsibility. Subsequently, the procurement was not allowed because of the foreign exchange involved and the staff was also not engaged for want of Administrative approval. Ultimately, the total amount of Rs. 13,29,550 for the above mentioned schemes was surrendered through the second statement of excesses and surrenders.

A sum of Rs. 53,900 from out of the continued budget was also surrendered for the following reasons :—

- (ii) A sum of Rs. 45,450 was surrendered because a number of posts of Ministerial and field staff and the post of Assistant Director (Medical), Chief staff Officer and Provincial Equipment and Stores Officer remained vacant for a considerable period during first 9 months of that year which could not be filled in due to Government's ban imposed on fresh recruitments.
- (iii) A sum of Rs. 8,450, saving in contingencies, was worked out on actual basis for all the 12 subordinate offices in West Pakistan and was surrendered in second statement of excesses and surrenders.

This saving was converted into an excess expenditure to the extent of Rs. 4,44,406 due to a book debit of Rs. 6,52,788 pertaining to the purchases made by the former Sind Government in year 1952-53 and 1954, raised by the Comptroller, Southern Area, against this Department, otherwise there would have been a total saving of Rs. 2,08,772 (Rs. 2,07,151 in A.G. Circle and Rs. 1,621 in N.A. Circle) against the final grant of Rs. 10,00,380 for the year 1959-60, which was some what after the above mentioned surrender of Rs. 13,83,450. Hence the saving Rs. 9,39,404 against the original grant of Rs. 23,83,800. The reasons of the saving of Rs. 2,08,772 are as under :—

*Saving of Rs. 2,07,151 (A.G. Civil)—(a)* A saving of Rs. 13,451 on account of pay and allowances including Travelling Allowance occurred due to the vacancies during the last three months of the year because the aforesaid ban was not lifted till the close of that year. Hence the saving.

(b) Saving of Rs. 1,93,700. Indents for the purchase of Civil Defence Equipment were placed with the D.G. Supplies and Development, Karachi on 15th August, 1959 who further placed an order on a Karachi firm on 31st December, 1959. According to the Contract, the date of delivery was fixed as the 31st of August, 1960 which was further extended to 31st December, 1960 by the D. G. S. & D. Ultimately the delivery was received on 24th January, 1961, i.e., in the next financial year.

*Saving of Rs. 1,621 (Northern Area)*—The saving of Rs. 1,621 in the Northern Area Circle is mainly due to the fact that the final modified grant was received late, i.e., in the first week of June, 1959, which was further distributed to all subordinate offices in the third week of the same month, with the result that the funds under the Primary Unit of Appropriation, "Travelling Allowance" and "Contingencies" could not be utilized in toto; hence saving.

The explanation was accepted but in the case of saving of Rs. 1,621, the Committee observed that three weeks were taken to disburse the amount in the last month of the year. The Department should have been alert in making the distribution much earlier.

With these observations, the paragraph was dropped.

(2) *Page 217—annexure serial No. (22)—Shortage of 363 Lbs. of Cotton Yarn*—The Department stated that the shortage of 363 Lbs. of Cotton Yarn valuing Rs. 642 was due to moisture. It was further stated that the Department had contacted the Director of Inspection, Government of Pakistan, Department of Investment, Promotion and Supplies who had stated that 5 per cent of deficiency which is due to moisture is permissible in yarn. The Department has taken up the matter with the Comptroller, Northern Area.

The para was dropped.

(3) *Page 217, annexure—serial No. (23)—Shortage of finished goods—Rs. 82?*—The Department stated that they could not ascertain as to which Jail the audit observation pertains. The Accountant-General has taken up this matter with the Audit Office concerned. The item was deferred to be taken up along with the Accounts for the year 1960-61.

(4) *Page 217—annexure—serial No. (25)—Mis-appropriation of Government Money—Rs. 2,670*—In this case a sum of Rs. 2,670 as reported by Audit, appeared to have been mis-appropriated by the faked treasury challans and increasing the amount in the office copies of certain treasury challans by changing the figures of affixing digit with the figures of the amounts actually deposited.

The Department stated that the case is pending in the court of Special Judge A.D.M. Bahawalnagar.

The consideration of the item was deferred to be taken up along with the accounts for the year 1960-61.

(5) *Page 217—annexure—serial No. (26)—Un-authorised expenditure on the purchase of Anti scarletics*. In this case amchore was distributed in two prisons though the Government had stopped the supply of Antiscorbutics.

The Department had thus incurred irregular expenditure of Rs. 1,160.

(6) *Page 47—Para 29—Mis-appropriation of stores*—In this case slack coal weighing 2,594 maunds and 20 seers valuing Rs. 3,230 was not transferred to District Jail on the close of Central Jail.

As the matter had been settled in the Departmental Accounts Committee, the item was dropped.

The Department stated that on discovery of shortage of slack coal, Mr. Ali Muhammad Dahir, was appointed Enquiry Officer to conduct a preliminary enquiry,—vide Deputy Inspector-General of Prisons, Central Range, Bahawalpur's letter No. 14198, dated 25th August, 1956. He submitted his report on 17th September, 1956, holding the following officers to be responsible for the loss in questions:—

- (1) Mehr Muhammad Hayat Khan, Deputy Superintendent.
- (2) Khan Ghulam Hussain Khan, Assistant Superintendent.
- (3) Mr. Ibadur Rehman Khan, Assistant Superintendent.
- (4) Ch. Muhammad Khan Aftab, Superintendent Jail (Retired).

In the meantime, the then Inspector-General of Prisons also ordered another enquiry to be conducted by Mr. S.M. Saeed, the then Deputy Inspector-General of Prisons, Northern Range, Peshawar,—vide his letter No. 24124, dated 23rd August, 1956. He submitted his findings on 2nd February, 1957. He held the following officers to be responsible—

- (1) Khan Ghulam Hussain Khan, Assistant Superintendent.
- (2) Mehr Muhammad Hayat Khan, Deputy Superintendent.

- (3) Malik Fazal Haq, Assistant Superintendent.

and recommended that they should pay the cost of the coal in equal proportions. Inspector-General of Prisons did not agree to the recommendation and referred to Government requesting that the loss be written off.

Then protracted correspondence followed between the Inspector-General of Prisons and the Government, till Rana Jahandad Khan, took over as Inspector-General of Prisons, who decided on 28th October, 1960 that the case should be re-opened. Consequently charge-sheets were served on the accused officers. On receipt of their replies, the Inspector-General of Prisons decided to detail Major M.I.K. Tarin to investigate further into the matter in the light of their charge-sheets and replies thereto. Major Tarin concluded his investigations on 23rd July, 1963 recommending that "these officers have absolved themselves conclusively of the charges and in my opinion the defence put was reasonable. The charge may be dropped against them. If desired, the enquiry be re-opened with a view to frame the correct charges and serve on the right persons and entrusted to the Anti-Corruption Department".

On receipt of these proceedings, the Government agreed to the recommendations and appointed Mr. L.G. Cordeiro, the then Director of Prisons, Central Range, Bahawalpur, to conduct a detailed enquiry. He suggested that since this was a very old case and more than one enquiries have been held, fresh enquiry will not serve the purpose, and the case be handed over to the Anti-Corruption Department for a further probe. On reconsideration, the Government directed the Director of Prisons, Central Range, Bahawalpur (Mr. M.I.K. Tarin) to hand over the case to the Anti-Corruption Establishment. The reply was received from the Anti-Corruption Establishment which is reproduced below:—

"Please refer to your Memo. No. 20994, dated 15th June, 1965 on the above subject:—

The matter has been examined in this Directorate. It has been found that two of the accused officers have already retired from service. Two departmental enquiries were held and the accused officers/officials were exonerated. Any other departmental enquiry on the same charges cannot be taken against legally. The only possible action which can be taken against them is their prosecution in a court of law. The matter is as old as 10 years and the amount involved is Rs. 3,230 only. The evidence available is very scanty. The enquiry if taken by this Establishment at this stage is not likely to bring about any good result in the shape of successful prosecution of the accused officials.



In the circumstances, the matter may be looked into departmentally and if the enquiry disclosed the commission of the criminal offence, the matter may be taken up with the local police for the registration of a case."

The matter was then referred to the Director of Prisons, Central Range, Bahawalpur, asking him to further probe into the case, and if the probe discloses the commission of a criminal offence, the matter may be taken up with the local police, for the registration of the case.

However, taking into consideration the period which has elapsed and the small amount (Rs. 3,230 approximately), involved, Home Department does not consider it worthwhile to pursue this case any further and recommends that the amount involved being Rs. 3,230 approximately, may be written off.

The explanation of the Department was accepted and the para was dropped subject to write off.

(7) *Page 56, Para 17 (c) VII—Delay in Disposal of Inspection Reports and Audit Notes*—In this case the Department had failed to reply to the Audit Notes in time.

The Committee at its meeting held on 16th March, 1964, had asked the Department to reply to the Audit Notes and report the action taken against the officers responsible for the delay.

So far as the disposal of the Audit Notes is concerned, it was stated by the Department that the Notes in question had been disposed.

So far as taking action against officers, who were responsible for non-compliance of the Audit Reports is concerned, the Department stated that they were in the process of taking necessary action. The Committee directed that the details of the action taken by the Department against the delinquent officers should be reported at the next meeting when the Accounts for 1960-61 are under examination.

(8) *Page 122, Notes 4 & 5*—The Audit observation in this case was that Store Accounts of the Jail Department had not been furnished to Audit and that the Financial statements of the factories of certain Jails had not been compiled by the Department.

The Department informed that the Store Accounts in question have been furnished to the Audit Department. Regarding Financial Statements, the Department stated that in majority of the case, they have been prepared and checked by Audit and the remaining few are under check.

The item was dropped subject to verification by Audit.

(9) *Page 3, Para 5 read with Page 196—Grant No. 36—Miscellaneous—1—State Prisoners and Detenus—Savings Rs. 3,725*—In this case, out of the final grant of Rs. 7,190, an amount of Rs. 3,725 had been saved. The explanation of the department was that the expenditure under this head is unforeseen. The saving in question, was due to the release of a number of detenus towards the end of the financial year. Moreover, detenus can be expected at any moment and as such funds have to be retained till the end of the financial year.

The explanation was accepted and the item was dropped.

(10) *Page, 7, Para 12 read with Page 121—Supplementary Grant proving partly or wholly unnecessary—*

Supplementary Grant

Rs. 3,59,180.

Final Saving.

Rs. 2,45,473.

The audit observation in this case was that the Department had obtained supplementary grant in excess of requirement.

The Department stated that due to unification and revision of pay scales of the staff, an additional grant of Rs. 3,59,180 was obtained for the year 1959-60.

The reasons for the overall saving of Rs. 2,45,473 were stated to be as under:—

Rs. 1,59,631—due to non-receipt of Cotton Yarn. The indent for Cotton Yarn was placed on Textile Commissioner, Pakistan but he could not arrange the supply as the enquiry issued against this indent brought no response from the trade.

The balance of Rs. 85,842 was due to non-drawal of arrears of pay of the staff. The pay scales were unified in 1959 by Government on the pattern of old Punjab. As the cadre strength of the prisons Department could not be fixed before April, 1963, the fixation of pay could not be done earlier.

The explanation of the Department was found satisfactory and the item was dropped.

## EDUCATION DEPARTMENT

(1) *Page, 3 Para 5 read with page 208—Grant No. 42—Loans and Advances by the Provincial Government—A-3—Advances to students of former Bahawalpur State—Saving Rs. 1,300*—In this case an amount of Rs. 1,300 allocated for awarding loans to students, had remained unspent. The Department, at the meeting of the Committee held on 24th November, 1965, had stated that the amount could not be utilized as the cases of awarding loans to students could not be finalized due to non-availability of suitable candidates. The Committee not being satisfied with this explanation recommended that action should be taken against the officers responsible for the saving of this amount. At its meeting held on 18th April, 1966, the Committee was informed that Official report regarding fixing of responsibility was awaited by the Department from the Director of Education and that as soon as the report was received from him, necessary action would be taken against the officer at fault. The Committee was not satisfied that suitable candidates were not available and asked the Department to furnish full detail of the steps that had been taken to find out suitable candidates. At its meeting held on 28th October, 1966, the Department could not furnish the information required by the Committee with regard to the efforts made to find suitable candidates. The Committee directed that this item should come up again before it on 3rd of November, 1966 when the Department promised to furnish the necessary information.

The Department now explained that the amount in question was provided for one particular student in whose case, the Finance Department considered that that was a grant of a new scholarship and not the renewal of the old one, and turned down the proposal. The Department further stated that the amount could not be surrendered because one of the Assistants of the office of the Director, Public Instructions, did not communicate the orders of the Finance Department to the Director, Education Lahore, and the Inspector of Schools, Bahawalpur. Disciplinary action against that official has since been taken and displeasure of the Government conveyed to him.

In view of the above, the Para was dropped.

(2) *Page 3, Para 5 read with page 158—Grant No. 27—Industries—A—Industries other than A-3—(c)—Saving of Rs. 2,82,562 (pertaining to Technical Education)*—The Secretary Education stated that the institutions to which the saving relates were under the Industries Department during the year 1959-60 and were transferred to Education Department in 1964. The Committee observed that the Industries Department had not been able to explain this saving and the Education Department stated that they have not got the necessary records. Under the circumstances, the only solution for the two Departments was that they should get together and settle the matter for themselves. The Committee desired that the Finance Department should pursue this matter and have it settled under their supervision.

The item was deferred for consideration along with the accounts for the year 1960-61.

# EXCISE & TAXATION AND REHABILITATION DEPARTMENTS.

As the Member, Board of Revenue, and Secretary to Government incharge of these Departments could not attend the meeting due to illness, the Committee deferred consideration of the items pertaining to these Departments and decided to take up these items alongwith the accounts for the year 1960-61.

## IRRIGATION AND POWER DEPARTMENT

The Committee deferred the consideration of the items in respect of this Department to be taken up in the afternoon at 3-30 p.m.

V. The Committee then adjourned to meet again at 3.30 P.M.

LAHORE

*The 3rd November, 1966.*

}

ZAIN NOORANI  
CHAIRMAN,

*Standing Committee on Public Accounts.*

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 3RD NOVEMBER, 1966 AT  
3-30 P.M. IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILD-  
ING, LAHORE.**

**I. The following were present:—**

- |   |    |    |                  |
|---|----|----|------------------|
| (1) Mr. Zain Noorani, M.P.A.  | .. | .. | Chairman.        |
| (2) Chaudhri Muhammad Nawaz, M.P.A.   | .. | .. | Member.          |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.   | .. | .. | Member.          |
| (4) Mr. Malang Khan, M.P.A.   | .. | .. | Member.          |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.  | .. | .. | Member.          |
| (6) Syed Akhlaq Hussain, T.Q.A., C.S.P., and Mr. Asif Rahim, C.S.P., Additional Finance Secretaries and Mr. G.D. Memon, Joint Secretary Finance, Government of West Pakistan, Finance Department. |    |    | Expert Advisers. |
| (7) Mr. N.A. Chaudhri, P.A. & A.S., Director, Audit and Accounts (Works), West Pakistan.  |    |    | By Invitation.   |
| (8) Mr. Ahmad Hassan, P.S.E.I., Secretary to Government of West Pakistan, Irrigation and Power Department along with Chief Engineers and Member (Finance) WAPDA.                                  |    |    | Ditto.           |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary of the Committee.

**II. The Committee considered the explanations of the Irrigation and Power Department in respect of the following items pertaining to the Appropriation Accounts for the year 1959-60:—**

**(1) Page 3, para 5 read with page 94—Grant No. 12—Charges on Irrigation Establishment—**

				Rs.
Final Grant	..	..	..	5,69,92,210
Expenditure	..	..	..	5,20,22,190
Saving	..	..	..	49,70,020
(i) Head "Incharge of Public Works Officer (other than Guddu Barrage Project)".				
				Rs.
Surrender	..	..	..	22,62,800
Final Excess	..	..	..	4,17,583

The matter was last considered by the Committee at its meeting held on 17th May, 1966 when the Department explained that the surrender was due to the following reasons—

- (1) Non-availability of the necessary staff including technical personnel and early closure of certain divisions.

- (2) Less staff was engaged in the Lower Jhelum Canal Division because less reclamation water supply was available.

The Committee had inquired as to how the less reclamation water supply could affect the engagement of the staff when the Land Reclamation Department was a permanent Department and directed the Department to furnish the causes for the closing down of tube-well construction division and the date on which it was closed down and the details of the posts which could not be filled in.

The Department now explained that the surrender was due to the following factors:—

- (i) The entire Ground Water Development Organization was transferred to WAPDA on 31st March, 1960.
- (ii) The posts sanctioned for collection of Thur and Sem Data could not be filled in throughout the year as the normal formalities to get sanction of Finance Department and also approval of Public Service Commission could not be finalized.
- (iii) The staff for the reclamation supply is sanctioned on a year to year basis since long and posted only if and when the reclamation supply is sanctioned by the competent authority. As the reclamation supply was not sanctioned for that year the staff was employed accordingly.
- (iv) The Division was closed on 28th February, 1959.
- (v) Finance Department imposed a cut under Travelling Allowance and other contingencies at the time of the consideration of the Modified Grant which reduced the figures of Original Grant even.

The excess was due to the fact that the Modified Grant was curtailed by the Finance Department to the tune of Rs. 4,15,780. The expenditure was incurred keeping in view the original grant both under Travelling Allowance and Other Contingencies but the funds were received less than the original Grant, against both the Primary Units, which had resulted in excess under actual expenditure. The actual expenditure could not be controlled as the funds of the Final Modified Grant were conveyed to the subordinate offices as late as on 25th June, 1960.

The explanation was found satisfactory.

- (ii) "Head Guddu Barrage Project"

Saving Rs. 31,50,922.

The matter was last considered by the Committee at its meeting held on 17th May, 1966 when the Member Finance, WAPDA claimed that the total expenditure was Rs. 33,27,316 and there was no saving. The Audit has since verified the above expenditure.

The para was dropped.

- (2) Page 5, Para. 8 read with page 106—Grant No. 13—Irrigation Capital  
Rs.

Excess	..	..	..	..	30,83,588
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- (i) 68—Construction of Irrigation, Navigation and Drainage works (other than Guddu Barrage Project).

					Rs.
Original Grant	..	..	..	..	13,43,71,200
Supplementary	..	..	..	..	1,00,39,500
Surrender	..	..	..	..	2,57,07,200
Modified	..	..	..	..	11,87,03,500
Expenditure	..	..	..	..	14,79,09,039
Excess	..	..	..	..	2,92,05,539

The matter was last considered by the Committee at its meeting held on 17th May, 1966 when the Department furnished the following reasons for the difference between the original and modified grant i.e. Rs. 2,57,07,200/.

(a) A sum of Rs. 69,08,450 was surrendered due to the reason that there was slow progress on the excavation of Dera Ghazi Khan Canals and Construction of its masonry works (Taunsa Project) due to scarcity of cement, delay in finalizing all the drawings of works and dispute of the contractors for higher rates.

The Committee then directed that the Department should produce at the next meeting the Stock Registers and other documents to show that there was scarcity of cement.

(b) A sum of Rs. 62,54,320 was surrendered due to the reason that anticipated debts on account of repair of construction machinery were not received from M.P.O. (WAPDA).

The Committee then observed that the Department before surrendering the amount should have enquired from the WAPDA as to why the debts in question were not raised. The Committee directed that this should be done now and result placed before the Committee at the next meeting.

(c) A sum of Rs. 1,25,44,430 was surrendered due to the reason that more clearance than expected of items lying in the schedule of Miscellaneous Advances was made.

The Committee observed that clearance of items under this Head could not effect the grant as a whole and directed that the Department should look into this again and place the correct picture before the Committee at the next meeting.

As regards excess of Rs. 29,20,05,539 the excess of Rs. 22,66,601 was explained and the Department was asked to furnish more details in respect of the remaining excess of Rs. 2,69,38,938.

The Department now explained seriatim that—

(a) On further verification of the circumstances leading to variation of Rs. 69,08,450 between the Original and Modified Grants, the position revealed is as under:—

(i) The construction of hill torrent crossings on Dera Ghazi Khan Canals could not be taken up in full due to non-approval of drawings and completion of other formalities. Despite best efforts it was not possible to get the drawings sanctioned in time. As such, it was found advisable to surrender the amount of 14 lacs in the Revised Estimate to avoid the lapse of the same amount at the close of the financial year.

(ii) The excavation of Dera Ghazi Khan Canals was a very difficult job because the area was devoid of drinking water and other facilities. Most of the soil was extraordinary hard and the contractors were not willing to do the job on the rates provided then, when much higher rates were allowed on the adjoining Project, viz. Guddu Barrage. The situation improved only after introduction of new rates in 1961. Hence a saving of Rs. 55,08,450.

(b) The demand in the first instance was based on the assumption that bills for heavy repairs of plant and machinery about one crore would be received from M.P.O. and adjusted during the year. Later on, it was found that the entire machinery was not expected to be repaired. Moreover, most of the machinery instead of being returned to Mechanical Division of Taunsa, was transferred to other Projects by M.P.O. It was, therefore, felt that the cost of such repairs should be born by the receiving Divisions,

- (c) The observation is just the same as was made by the Audit Office and replied to by this Department. In the reply already given it has been conclusively proved as to how more or less clearance of items under Miscellaneous Advances effect the grant as a whole and the explanation was substantiated with clear cut example. The same is reproduced below as it is not possible to elaborate the point further.

"The clearance of items under Miscellaneous Advance does effect the grants as a whole. For instance may it be supposed that Original Appropriation under a grant is 1,00,000 which include all Minor Sub-Heads. In this grant clearance of Miscellaneous Advances has been anticipated to the extent of 10,000. At the time of Revised Estimate if this clearance goes up to 20,000 it would reduce the Revised Demand A Grant by 10,000 i.e. 90,000 instead of 1,00,000. Similarly if this clearance goes down to 5,000 the Revised Demand 1 grant would be 1,05,000. This conclusively proved that more or less clearance under Miscellaneous Advance invariably effects the Grant as a whole."

As regards excess of Rs. 2,69,38,938, the Department stated that the fact is that Division-wise detail of all the unresponded items of Miscellaneous Advance is already available with the Audit office as usual because it is the Audit Office which supplies these details to each Division through the Audit notes on June Supplementary Accounts. As such Director, Audit and Accounts has been requested to find out details from his record. It is, however, found out that an amount of Rs. 2,57,04,424 pertains to Stores Division of Mechanical Circle, Lahore and the remaining amount of Rs. 12,34,514 belongs to Mughalpura Irrigation Workshop.

The Committee observed that the Department while explaining the difference of Rs. 2,57,07,200 at the previous meeting said that the surrender of Rs. 69,08,450 was due to the reason that there was slow progress on the excavation of Dera Ghazi Khan Canals and Construction of its masonry works (Taunsa Projects) due to scarcity of cement, delay in finalising all the drawings of works and dispute of the contractor for higher rates. The Committee had then directed that the Department should produce at the next meeting the Stock Registers and other documents to show that there was really scarcity of cement. At this meeting a completely new explanation of the surrender of this amount was given and there was no mention of the shortage of cement. The Committee felt that the Committee is getting different explanations each time when the Department is asked to explain certain point.

The Secretary of the Department said that he can say from personal knowledge that the explanation now given was correct. This part of the explanation was accepted by the Committee.

The Committee found similar mis-statements in the remaining parts of the explanation. The Committee deferred the Para. for the next series of meetings and asked the Department to state why different explanations have been submitted to the Committee and also as to which of them is correct.

- (ii) 68—Construction of Irrigation, Navigation Embankment and Drainage Works, Guddu Barrage Project.

	Rs.			
Original Grant .. .. .	..	..	..	3,90,10,400
Supplementary Grant .. .. .	..	..	..	2,57,07,200
Final Grant .. .. .	..	..	..	6,47,17,600
Expenditure .. .. .	..	..	..	3,85,95,588
Saving .. .. .	..	..	..	2,61,22,012

The matter was considered by the Committee at its meeting held on, 17th May 1966 when the Member Finance, WAPDA informed the Committee that the reason for the saving was that full amount allocated for the purpose was not released by the Finance Department. The Committee directed that the Finance Department should furnish to the Committee at the next meeting, the reasons for not releasing the full amount.

The Finance Department now stated that the Guddu Barrage Project was executed by the WAPDA on behalf of Government. The funds provided for the scheme in the budget were released in favour of the former in the form of quarterly "on account payments." The principle underlying was that funds for the first quarter were released on the basis of 25 % of the budget provision for the year. Release for the subsequent quarters were to be made on the basis of actual accounts for the previous quarter. For instance, the grant for the 2nd quarter beginning from the 1st October, could only be released in their favour after the accounts of the previous quarter ending on the 30th September had been prepared and certified by Audit. In the present case, the entire original grant for the scheme for the year, 1959-60 amounting to Rs. 3'85, crore (after taking into account a small deduction) was released in their favour during the year 1959-60. During the year 1959-60, the WAPDA applied for the release of funds totalling Rs. 3'85 crore only on the basis of actual expenditure incurred during the last 11 months of the year and the anticipated, expenditure for the month of June, 1960,—vide Chief Accountant WAPDA's certificate, dated 1st July, 1960. The saving was the result of WAPDA's failure to claim release of the additional amount of Rs. 2,57 crore by furnishing accounts.

The Member (Finance) WAPDA thereupon explained that the actual expenditure is Rs. 5'07 as certified by the Director, Audit and Accounts, Works, Lahore. The certificate of the Chief Accountant WAPDA dated 1st July, 1960 referred to by the Finance Department obviously takes into account the cash requirements while the expenditure in excess of the amount released by Finance Department, viz, Rs. 1'21 crore represents Book Adjustment. Such adjustments are carried out through supplementary accounts even after close of the financial year i.e. 30th June. The net saving is, therefore, Rs. 1'40 crore which as explained by Deputy Chief Engineer Guddu Barrage was due to non-receipt of following expected debits:—

	Rs.
(i) Anticipated debit on account of cost of gas turbine for Turbine Barrage was not received during the year ..	7,00,000
(ii) Machinery for Head Works not received in time ..	96,97,000
(iii) Saving on account of masonry works having been constructed at lesser cost than anticipated ..	7,50,000
(iv) Due to late receipt of machinery for execution of pat-feeder land, therefore, less excavation the Feeder than anticipated ..	20,96,900
(v) Provision made for the land compensation could not be utilized as compensation cases could not be finalized by the Revenue Department. ..	7,26,700
<b>Total ..</b>	<b>1,39,70,600</b>

The Committee asked the Audit Department to verify the figures now furnished by the WAPDA.



The Committee asked the WAPDA to furnish details of items, (i), (ii), (iii), and (iv) above as to when indents were placed, when the machinery was received and when the debits were received. As regards item (v), the details should be furnished as to when the actual compensation was paid.

The Committee decided that the matter should come up again when the accounts for the year 1960-61 are examined.

(3) Page 5 para 8 read with page 87

Grant No. 11, Irrigation Works

(i) XVII—Irrigation—Navigation, Embankment and Drainage Works for which Capital Accounts are kept.

	Rs.
Original grant .. .. .	3,92,29,800
Supplementary .. .. .	62,16,200
Final Grant .. .. .	4,54,46,000
Expenditure .. .. .	4,10,02,650
Saving .. .. .	44,43,350

The matter was last considered by the Committee at its meeting held on 17th May, 1966, when the Committee asked for more details in respect of the following:—

1. Excess of Rs. 8,68,000 on account of repair works of heavy breaches resulting from floods. According to the Audit this expenditure related to head "68—Capital".

2. Excess of Rs. 14,74,990 on account of works on Muzaffargarh Canals Taxana Project, Abbasia, Bahawal Canal, Eastern Sadiqia and Haveli under M. & R.

3. Excess of Rs. 3,04,920 on account of Adjustment of outstanding electric charges.

4. Saving of Rs. 2,36,354 due to non-finalization of land compensation cases by the Revenue Department concerning Mahiwal Canal (Sukkur Region). According to the Audit, the work related to the head "68—Capital" and as such could not be referred to while explaining saving under head XVII.

The Department has now furnished the following details:—

1. Excess of Rs. 8,68,000 pertains to Upper Chenab Canal in Lahore Zone. Out of this a sum of Rs. 6,49,300 was spent for strengthening the banks of channels because the distributaries and minors had silted up because the channels could not carry the full supply discharge. The balance of Rs. 2,18,700 (8,68,000—6,49,300) was spent on Extension and Improvement, T. & P. (Major & Minor) Works at R.C. & T. & P. These details were not given earlier because the variations used to be explained by Major head as a whole and not by Minor Heads upto the year, 1961-62. The repairs of actual heavy breaches were in fact carried out and met out of an additional grant of Rs. 8,09,090 received under "68—Capital" during 1959-60.

2. The details of Major excess of Rs. 14,74,990 are as under—

(i) Derajat Inundation Canals—There is an excess of Rs. 64,890 in respect of this Canals.

(ii) Taxana Projects—The excess expenditure is 5,00,000.

(iii) Abbasia Canal—There is an excess of Rs. 62,430.

(iv) Bahawal Canal—There is an excess of Rs. 65,010.

(v) Eastern Sadiqia Canal—The excess is of Rs. 73,580.

(vi) *Haveli Canal*—There is an excess of Rs. 5,56,430 in respect of this canal.

3. The excess of Rs. 3,04,920 in Lower Bari Doab Canal was partly due to adjustment of outstanding electric charges as electricity Department increased the rate of electric charges (9·5 pies to 15 pies) per unit for pumps installed for lift irrigation in Balloki Division from the year 1956-57 and charged arrears of electric charges to the extent of Rs. 1,84,000 for which provision was made accordingly in the year 1959-60. The remaining excess of Rs. 1,20,920 is due to other additional expenditure under E. & I. (Minor Works) M. & R. and T. & P. (Major and Minor).

4. The cost of the original land acquired for the Irrigation purposes was charged to the head XVIII—E. & I. as such the land compensation is also to be charged to the same head.

The explanation was found satisfactory and this part of the para. was dropped.

(ii) 18—*Other Revenue Expenditure Financed from Ordinary Revenue*—(A) Incharge of Public Works Officers.

Excess Rs. 78,27,654.

According to the Department the excess of Rs. 78,27,654 is divided into 2 Sub-Divisions, viz.

	Rs.
(i) Excess due to adjustment carried out during the year.	60,85,300
(ii) Expenditure incurred in excess of allotment ..	17,42,354
Total ..	78,27,654

The excess of Rs. 60,85,300 was due to the adjustment carried out during the year 1959-60 for transaction booked in the accounts of the past years.

As regards the excess of Rs. 17,42,354 the Department stated that the Mechanical Divisions are required to carry out earth works through machines on behalf of Civil Divisions. After the work is completed, debit is raised through ATDS on the basis of expenditure incurred by Mech. Divisions. In some cases the ATDS are not responded by the Civil Divisions for one or the other reasons with the result that the expenditure incurred by the Mechanical Division is charged to "MISC P.W. Advances" and the allotment sanctioned for Civil Divisions for the works was surrendered for want of acceptance of ATDS of Mechanical Divisions. This resulted in excess of Rs. 13,07,408. Further against the original grant of Rs. 2,10,000 for the work of R. & S.S.M. Bund mile 118/0 to 172/0 a sum of Rs. 14,83,000 was demanded as revised grants to account for the expenditure incurred by Mechanical Division for work done by machine. The revised demand was refused. Debits raised by the Mechanical Division had to be accepted and this acceptance resulted in an excess of Rs. 4,34,946.

As the figures given by the Department in respect of each item in which there was excess expenditure have not been verified by the Audit, the Committee deferred consideration of this part of the para. to the next meetings of the Committee when the Department should furnish details after verification by the Audit.

(4) Page 30 Para. 17 ((a) 23 (4)—*Shortage of Stores*—In this case, stock worth Rs. 3,122 and T&P articles worth Rs. 576 were found short against various officials. Some articles were subsequently traced leaving a balance of Rs. 1,760 and 475.

In the last meeting of the Committee held on 26th October, 1966 the Department stated that Faqir Muhammad Overseer was guilty of shortages of T & P articles worth Rs. 1759.50 for which he has been charge-sheeted. As regards Rs. 475 the Department stated that 8 darries were brought from M/s Rooldo Muhammad Din and Sons on hire basis by an overseer out of which 5 were returned and remaining 3 costing Rs. 475 were taken non T & P Return by the then Overseer by mistake. The mistake was subsequently rectified by returning the darries to the firm.

From the oral explanation given by the Department on 26th October, 1966, it appeared that the Department had not only paid by way of rental for the three darries an amount which was in excess of the cost of 3 new darries, but had also returned the darries to Rooldo Muhammad Din. However as the record of this case was not made available to the Committee to ascertain this, the item was deferred for 3rd November, 1966 to enable the Department to produce all the necessary records.

The Department now explained that what had been stated before the Committee earlier was not correct. The darries had actually not been returned to the Firm. The Director, Audit and Accounts (Works), suggested that instead of going into the question of loss of three darries, the Committee should go into the matter of the accuracy or otherwise of the statements made before the Committee with regard to this item. Secretary Irrigation and Power, accepted this suggestion and undertook to go into the matter personally. The Committee decided that this item should come up again before the Committee when the accounts for the year, 1960-61 are under consideration.

III. The Committee discussed the Finance Accounts of the Government of West Pakistan for the year, 1959-60.

IV. As required by Para. 15-22 of the Punjab Budget Manual, the Finance Department placed before the Committee a statement showing action taken on the recommendations of the Committee made in its report on the Appropriation/Commercial/Finance Accounts of the Government of West Pakistan for the year, 1958-59.

The Committee considered this statement and decided that this should form a part of the report on the Appropriation/Commercial/Finance Accounts for the year, 1959-60.

The Committee, however, observed that the statement did not contain the report of the action taken on all the recommendations made by Committee. The Finance Department stated that the statement in respect of the action taken on remaining recommendations would be placed before the Committee when necessary information is received from the Departments concerned. It was further stated that demi-official letters had been issued to all the Administrative Secretaries in this connection.

The Committee desired that the Finance Department should take effective steps to ensure action on the remaining recommendations.

V. The Committee then decided to submit its report on the Appropriation/Commercial Accounts of the Government of West Pakistan for the year, 1959-60 and audit reports thereon to the Assembly in the light of examination of these accounts by the Committee.

LAHORE :

The 3rd November, 1966.

ZAIN NOORANI

CHAIRMAN,

} Standing Committee on Public Accounts.

**MINUTES OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC  
ACCOUNTS HELD ON 12TH DECEMBER 1966, AT 3-00 P.M. IN  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**I. The following were present:—**

- |   |              |
|---|--------------|
| (1) Zain Noorani, M.P.A.                  | .. Chairman. |
| (2) Chaudhri Muhammad Sarwar Khan, M.P.A. | .. Member.   |
| (3) Mr. Malang Khan, M.P.A.               | .. Member.   |
| (4) Chaudhri Muhammad Nawaz, M.P.A.       | .. Member.   |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.    | .. Member.   |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan acted as Secretary of the Committee.

II. The Committee adopted its report on the Appropriation/Commercial/Finance Accounts of the Government of West Pakistan for the year 1959-60 and the Audit reports thereon for presentation to the Provincial Assembly of West Pakistan.

III. The Committee then adjourned *sine die*.

LAHORE :	}	<b>ZAIN NOORANI</b>
The 12th December, 1966.		<i>Chairman, Standing Committee on Public Accounts.</i>



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**ANNEXURE B**  
**STATEMENT SHOWING ACTION TAKEN**  
**BY**  
**FINANCE DEPARTMENT**  
**ON THE**  
**REPORT FOR 1958-59**

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1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1987).

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1987).

1

[illegible]

88

1. *Phragmites australis* (Cav.) Trin. ex Steud.

Serial No.	REFERENCE		Relevant extract from Public Accounts Committee Report	Action taken by the Finance Department	Remarks
	Page No.	Para. No.			
1	3	(d)	<p>Page 3, Paragraph 5, serial No. 9 read with page 128—</p> <p style="text-align: right;">Rs</p> <p>Grant No. 21</p> <p>Head 38-A—Health Services—</p> <p style="padding-left: 40px;">Final Grant .. 5,47,21,710</p> <p style="padding-left: 40px;">Actual expenditure .. 4,75,06,823</p> <p style="padding-left: 40px;">Saving .. 72,14,887</p> <p>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 Stores Depot and (iii) the Grants meant for local bodies were not distributed.</p> <p>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.</p>	<p>The scales of pay of the Government officers have already been revised and consolidated in the West Pakistan (Gazetted) Civil Services (Pay Revision) Rules, 1964, and a technical pay of Rs. 100.00 and Rs. 25.00 has also been sanctioned to the West Pakistan Health Services Class I and Class II respectively.</p>	



Serial No.	REFERENCE		Relevant extract from Public Accounts Committee Report	Action taken by the Finance Department	REMARKS												
	Page No.	Paras No.															
3	4	6(ii)	<p>Page 3, paragraph 5, Serial No. 21, read with page 213— Grant No. 40.—Head 57—Miscellaneous.—A—Cost of Books and Periodicals—</p> <table border="1"> <thead> <tr> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Original Grant</td> <td>62,660</td> </tr> <tr> <td>Surrender</td> <td>46,270</td> </tr> <tr> <td>Final Grant</td> <td>16,390</td> </tr> <tr> <td>Expenditure</td> <td>17,156</td> </tr> <tr> <td>Saving</td> <td>29,234</td> </tr> </tbody> </table>		Rs.	Original Grant	62,660	Surrender	46,270	Final Grant	16,390	Expenditure	17,156	Saving	29,234		<p>The position was examined in Finance Department and it was considered that the circular already issued on the subject,—vide letter No. (A &amp; A1)-V-3/86, dated 20th May 1986 (Appendix A) was quite clear.</p>
	Rs.																
Original Grant	62,660																
Surrender	46,270																
Final Grant	16,390																
Expenditure	17,156																
Saving	29,234																
			<p>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 1987-88 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 observation 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 spot-lighting 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 purchase be issued and its compliance ensured.</p>														

6(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	2,81,283
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.

The Department of National Savings was completely centralized for all intents and purposes including Budget and Expenditure with effect from the year 1960-61. Accordingly the question of arising of any anomaly now does not arise.

6(iv)

Page 3, Para. 5, read with page 216—Grant No. 40 Miscellaneous Head  
3-9—Villages Agricultural and Industrial Development Department.

	Rs.
Original Grant	2,76,33,500
Surrender	45,05,052
Final Grant	2,30,28,448
Expenditure	1,47,11,741
Savings	83,16,707

Under this sub-head out of a sum of Rs. 2,30,28,448 a sum of Rs. 6,80,000 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

The case was examined in Finance Department in consultation with the Basic Democracies Department. A note explaining the position is given in Appendix B.

Serial No.	REFERENCE		Relevant extract from Public Accounts Committee Report	Action taken by the Finance Department	Remarks												
	Page No.	Para No.															
			<p>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. 6,50,000, 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. A.D. Administration and the Committee allowed quite some time to the Finance Department to explain as to why the entire amount required by the Administration 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.</p>														
	5	5 (v)	<p>Page 3, Para. 5, read with pages 228-29, Grant No. 47. Loans and Advances.—Head R—Loan and Advances by the Provincial Government.</p>														
			<table><tr><td>Modified Grant</td><td>..</td><td>..</td><td>Rs. 10,92,07,340</td></tr><tr><td>Expenditure</td><td>..</td><td>..</td><td>6,91,37,247</td></tr><tr><td>Saving</td><td>..</td><td>..</td><td>4,00,70,093</td></tr></table>	Modified Grant	..	..	Rs. 10,92,07,340	Expenditure	..	..	6,91,37,247	Saving	..	..	4,00,70,093		
Modified Grant	..	..	Rs. 10,92,07,340														
Expenditure	..	..	6,91,37,247														
Saving	..	..	4,00,70,093														

The item regarding the saving of Rs. 4,86,880 has been deferred to be taken up with the identical item relating to the year 1957-58. The other item of Rs. 78,000 which is a saving under sub-head "Advances to Cultivators" in the Appropriation Accounts for the year 1958-59 has also been treated by A.D. as unidentified and included in the working papers left over item of 1958-59 for consideration by the present P.A.C.

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-barage 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 demand 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 laconic, 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 laconic 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-barage 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

Serial No.	REFERENCE		Relevant extract from Public Accounts Committee Report	Action taken by the Finance Department	REMARKS
	Page No.	Paras. No.			
6	6		cultivators inasmuch as the Department did not perhaps in form 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	7		The Committee scrutinized the following excesses over voted grants during the year under reports:—		Necessary action has been taken,— vide Gazette Notification No. BI-8-166/85, dated 2nd March, 1966 (Appendix 'C').
Serial No.	No. and title of the grant		Excesses		
1	6—Stamps ..	..	Ra.	3,478	
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.	9,92,879
11	35—Electricity Schemes—Capital Expenditure	9,37,52,437
12	38—Payment of Commuted Value of Pensions — Capital Expenditure.	26,888
13	46—Advances not bearing interest—Advances Repayable.	8,54,757
14	49—Suspense	90,57,45,374

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

6-A 8 7 (iv)

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. 1,57,323 (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 excesses. 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 therefore, before the Committee.

7 9 (8) (1)

The Committee examined following excesses over charged Appropriations:—

Serial No.	No. and title of the Appropriation	Excesses
1	1—Salt .. .. .	Rs. 1,41,415
2	14—General Administration .. .. .	28,474
3	30—Civil Works .. .. .	2,94,500
4	Public Debt (Discharged) .. .. .	1,97,90,301

Health, Agriculture and Education Departments have been asked, vide letter No. (L)-1/23-53 (Volume II), dated 26th July 1965 Appendix D) to take necessary action in the light of P. A. C.'s recommendations under intimation to Finance Department. The items relating to Sind Muslim Education Cess Fund has been dropped by P. A. C. in their meeting held on 16th April 1966.

Necessary action has been taken vide Gazette notification No. B1-8 (166)/65, dated 2nd March 1966 (Appendix C)

Serial No.	REFERENCE Page No.	Page No.	REMARKS
		<p>Relevant extract from public Accounts Committee Report</p>	<p>Action taken by the Finance Department</p>
8	13 (9viii)	<p>(2) The Committee recommends that necessary grants to regularize these excesses may be made by the Governor under Articles 235 of the Constitution.</p> <p>(3) The Committee further recommend that the excess expenditure under head "30—Civil Works" should be regularized by obtaining the Orders of the President raising the limit prescribed under Allowances and Privileges (Governor) Order, 1962.</p> <p>Page 239, Serial No. 28, Item (i) and (ii)—Unfinalized cases—Rs. 8,500 and Rs. 1,765 was paid by the Thatta Khairpur Treasuries respectively enforced 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 1962. 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 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 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 mismanagement.</p>	

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 charged sheeted for wrong payment of Rs. 8,800. As regards the wrong payment of Rs. 1,765 from Khairpur Treasury, a sum of Rs. 892.50 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.

*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 Organizations 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. 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 organization with the limitations with which a Government runs an organization, 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 facts 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's 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.

Necessary action is being taken in consultation with Services and General Administration Department.

The recommendations made by P. A. C. regarding the extension of Road Transport Service to other areas were forwarded to A. D. for necessary action. The Secretary Transport Department has informed that in view of the present emergency it would not be possible for the Government to invest more funds for extension of services but these recommendations of the Committee would be kept in view while considering such proposition in future.



Serial No.	REFERENCE	Relevant extract from Public Accounts Committee Report		Action taken by the Finance Department.	REMARKS
Page No.	Para. No.				
10	15	10 (ii)			
		<p><i>Rural Credit Societies</i>— 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.</p>		<p>The A.D. has informed that the Government would get dividend on its investment in this industry with effect from 1st July 1964. The item was placed before the Committee on 16th April 1966 who have now decided that Finance Department and Co-operation Department should examine the question as to whether it was possible to obtain dividend from an earlier date. Necessary action would be taken in due course and the result would be intimated to P.A.C.</p>	
		<p>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.</p>		<p>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</p>	

11 15-16 10 (iii)

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.

*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.

12 16-18 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 estimates 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 1968, 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.

The recommendations made by the P. A. C. in their report on Appropriation Accounts for 1958-59 were forwarded to the Agricultural Development Bank of Pakistan for comments. The Chief Accountant of the Bank has informed that the Bank during the year 1964-65 has been able to wipe out the past losses and if the bank makes a profit during 1965-66 it may, with the approval of the Board of its Directors declare dividends after making adequate provision for bad and doubtful debts, depreciation of Assets, etc.

Necessary working paper was prepared and was considered in P. A. C. meeting held on 28th November 1965. P. A. C. appreciated P. D.'s action.

Serial No.	REFERENCE		Action taken by the Finance Department	Remarks
	Page No.	Para. No.		
			Relevant extract from Public Accounts Committee Report	
			<p>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 receipt 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. 1 crore and 7 lakhs of rupees had been realised and that besides this amount, the Department had to collect Rs. 48,50,000 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 upto 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 comes 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.</p>	

(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 earnings 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 multibased 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 sets and reacts; therefore the scheme pays to national prosperity in innumerable ways 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 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 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-

Serial No.	Ref Branch	Relevant extract from Public Accounts Committee Report	Action taken by the Finance Department	Remarks
Page Paragraph No.	No.	<p>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 year it might be not more than 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 under the efficiently alert to realise the significance of the dire results which would accrue because of any slowness 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 sometime after, the mischief would have been done and the loss to the nation would have accrued and who-so-ever 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 Rshim, 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</p>		

inherent in providing for finances but would like to 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 is necessary that the Finance Department should examine and re-examine the question and provide the funds that were necessary, for implementing the drainage schemes 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.

Necessary sanction has been issued.  
(Appendix E).

The Committee considered the explanation of the Communications and Works Department in respect of excess expenditure of Rs. 1,98,79,428 and Rs. 1,06,893 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.

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14 (2)

## APPENDIX A

No. (A &amp; AI) V-3/65,

GOVERNMENT OF WEST PAKISTAN  
FINANCE DEPARTMENT*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 SESSIONS JUDGES IN WEST PAKISTAN,
- (6) REGISTRAR HIGH, COURT OF WEST PAKISTAN, LAHORE.

*Subject—PURCHASE OF OFFICIAL PUBLICATIONS BY GOVERNMENT DEPARTMENTS.*

SIR,

I AM directed to say that the Standing Committee of Public Accounts,—*vide* para VI of their report on the Appropriation/Commercial and Finance Accounts of the Government of West Pakistan for the year 1957-58 pointed out that most of the Departments/Offices 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. POONEGER

*Deputy Secretary (R & S).*

## APPENDIX B

An amount of Rs. 6,60,000 was tentatively provided in Budget 1958-59 under "Contingencies" for the Audio-visual Unit of the Defunct Village-Aid Organisation but the sanction for the expenditure was issued for Rs. 1,00,900 only. The Public Accounts Committee desired to know the explanation as to why a provision of Rs. 6,60,000-00 was made for this item, but the sanction was issued for Rs. 1,00,900. If the A. D. had asked for the sanction of this amount only, the Department should explain the reasons therefor. In case, the Department has 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 by F. D. when the provision was already there.

The provision in the budget for Rs. 6,00,000 was on tentative basis and sanction of F. D. dated 1st April, 1958 for Rs. 2,31,000 was subject to the condition that the prior sanction of the Central Government was to be obtained by A. D. well in time. The Central Government sanction dated 10th October, 1958 became available to A. D. on 17th October, 1958. Accordingly, the A. D. itself desired—*vide* their note dated 31st October, 1958 that the amount already sanctioned by F. D. *viz.* Rs. 2,31,000 against the tentative budget provision of Rs. 6,60,000 be reduced to Rs. 1,51,850. Neither the A. D. nor the F. D. is responsible for suggesting; sanctioning the reduction in the expenditure against budget provisions as Central Government took a lot of time to give their approval to the scheme. More than half financial year had already passed by the time the approval of the Central Government was received. The A. D. suggested the reduction to Rs. 1,51,850 because they took the financial year of 12 months which subsequently was extended to 15 months.

The position explained above is approved by A.F.S.I.

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Section Officer X (VI).

*No. S.O. X (VI) 11 (4)/66, dated Lahore, the 26th July, 1966.*

Forwarded to Section Officer, Audit and Accounts, Finance Department, Government of West Pakistan, Lahore, with reference to the correspondence resting with his U. O. No. (A & A)-V.8/65, dated the 23rd July, 1966 for further necessary action.

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Section Officer X (VI).



## APPENDIX 'C'

[Extraordinary Issue]

[Registered No. L7532]

PUBLISHED BY AUTHORITY

LAHORE, THURSDAY, MARCH 3, 1966.

FINANCE DEPARTMENT

The 2nd March 1966.

No. BL 8 (166)/65—The following order passed by the Governor of West Pakistan is hereby published for general information:—

## ORDER

In pursuance of the provisions of clause (4) of Article 235 of the Constitution read with clause (5) thereof, I, Malik Amir Muhammad Khan, Governor of West Pakistan, hereby authorise (in excess of the authorised expenditure for the financial year, (1958-59) the withdrawal of moneys from the Provincial Consolidated Fund in respect of the services and purposes specified in column 2 of the Schedule annexed hereto and to the extent specified against each in column 3 thereof.

## SCHEDULE

Serial No.	Services and purposes	Amount		
		Charged	Authorised	Total
		Rs.	Rs.	Rs.
1	Salt ..	1,41,415	..	1,41,415
2	Stamps ..	..	9,478	9,478
3	Registration ..	..	4,232	4,232
4	Irrigation Works ..	..	99,74,908	99,74,908
5	General Administration ..	29,474	5,13,525	5,43,000
6	Administration of Justice ..	..	1,66,377	1,66,377
7	Frontier Regions ..	..	66,46,810	66,46,810
8	Agriculture ..	..	1,57,47,710	1,57,47,710
9	Department of Supply and Development ..	..	1,11,932	1,11,932
10	Civil Works ..	2,94,500	3,53,57,394	3,56,51,894
11	Charges on P.W.D., B & R Establishment ..	..	9,92,679	9,92,679
12	Electricity Schemes Capital Expenditure ..	..	9,37,52,437	9,37,52,437
13	Payment of Commuted Value of Pensions-Capital Expenditure ..	..	26,886	26,886
14	Advances not bearing interest-Advances Repayable ..	..	3,54,757	3,54,757
15	Suspense ..	..	90,57,45,374	90,57,45,374
16	Public Debt (Discharged) ..	1,87,90,301	..	1,87,90,301
	Total ..	1,92,55,690	1,06,99,04,599	1,08,91,60,289

MALIK AMIR MUHAMMAD KHAN,

Governor of West Pakistan.

LAHORE;

G. D. MEMON

File 22nd February 1966.

Joint Secretary (Budget).

## APPENDIX 'D'

No. (L)-1/22-58 (Vol. II)

## GOVERNMENT OF WEST PAKISTAN

## FINANCE DEPARTMENT

Dated Lahore, the 26th July 1965.

FROM

Mr. A. R. SIDDIQI, C.S.P.,

*Deputy Secretary (Taxation), Government of West Pakistan, Finance Department.*

TO

- (1) THE SECRETARY TO GOVERNMENT OF WEST PAKISTAN, HEALTH DEPARTMENT, LAHORE.
- (2) THE SECRETARY TO GOVERNMENT OF WEST PAKISTAN AGRICULTURE DEPARTMENT, LAHORE.
- (3) THE SECRETARY TO GOVERNMENT OF WEST PAKISTAN, EDUCATION DEPARTMENT, LAHORE.

*Subject*—APPROPRIATION ACCOUNTS OF THE GOVERNMENT OF WEST PAKISTAN FOR 1958-59 AND AUDIT REPORT THEREON—GRANT NO. 46 ADVANCES NON-BEARING INTEREST—ADVANCES REPAYABLE. EXCESS Rs 8,54,757.00.

SIR,

I AM directed to state that the Standing Committee on Public Accounts—*vide* para 7 (iv) of their Report on the Appropriation, Commercial and Finance Accounts of the Government of West Pakistan, for the year 1958-59 and the Audit Report thereon have made the following recommendations observations suggestions in respect of the items of saving of Rs. 20,986 (Health Department) and Rs. 17,875 (Agriculture Department) under the sub-head "Advances to students of B 'Pur" and excess of Rs. 1,57,333 (Education Department) under sub-head "Advances to Board of Management Muslim Education Cess Fund" "pertaining to your Department.

"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 Department concerned unjustifiably withheld 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".

It is requested that necessary action in accordance with the above recommendations of the Standing Committee on Public Accounts may please be taken immediately under intimation to this Department.

Your obedient servant,

ALI MOHAMMAD MEMON  
SECTION OFFICER (LOANS).  
for Deputy Secretary (Taxation).

No. L(-1/22-58 (Vol. II) dated Lahore, the 26th July, 1965.

A copy is forwarded for information to Section Officer (A and AI), Government of West Pakistan, Finance Department.

ALI MOHAMMAD MEMON  
SECTION OFFICER (LOANS).  
for Deputy Secretary (Taxation).

## APPENDIX 'E'

[Extraordinary Issue]

[Registered No. L 7532]

**THE GAZETTE OF WEST PAKISTAN  
PUBLISHED BY AUTHORITY**

LAHORE, TUESDAY, NOVEMBER 2, 1965.

**GOVERNMENT OF WEST PAKISTAN**

**FINANCE DEPARTMENT**

The 1st November, 1965.

No. BI-8 (166)/65—The following order passed by the Governor of West Pakistan is hereby published for general information :—

**ORDER**

In pursuance of the provisions of clause (4) of Article 235 of the Constitution read with clause (5) thereof, I, Malik Amir Muhammad Khan, Governor of West Pakistan hereby authorise (in excess of the authorized expenditure for the financial year, 1957-58) the withdrawal of moneys from the Provincial Consolidated Fund in respect of the services and purposes specified in column of the Schedule annexed here to and to the extent specified against each in column 3 thereof.

**SCHEDULE**

1 Serial No.	2 Services and purposes	3 AMOUNT		
		Charged	Authorized	Total
		Rs.	Rs.	Rs.
1	Salt ..	1,40,143	..	1,40,143
2	Stamps ..	..	34,290	34,290
3	Irrigation Works ..	..	73,23,095	73,23,095
4	Debt Service ..	66,03,690	..	66,03,690
5	Administration of Justice ..	63,438	1,37,263	2,00,641
6	Civil Works ..	2,42,635	1,98,70,428	2,01,22,113
7	Buildings and Roads Establishment Charges. ..	..	1,00,833	1,00,833
8	Electricity Schemes Working expenses ..	..	11,78,016	11,78,016
9	Privy Purses and subsidies, Superannuation Allowances and Pensions. ..	..	12,51,559	12,51,559
10	Capital Outlay on Provincial Schemes of State Trading. ..	..	3,06,43,203	3,06,43,203
11	Suspense ..	..	31,61,45,120	31,61,45,120
12	Public Debt Discharged ..	3,74,61,640	..	3,74,61,640
	Total ..	4,45,11,606	37,68,98,797	42,12,10,402

**MALIK AMIR MUHAMMAD KHAN**

*Governor of West Pakistan*

LAHORE :

The 26th October, 1965.

G. D. MEMON

*Joint Secretary (Budget).*